CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the fourth quarter and year 1979

The change in revenue from an indirect tax change

Trends in sales of land and buildings, 1973-79

No 317
March 1980
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Release dates of economic statistics to be published in April 1980

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in April 1980. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about individual series should be made to the source named.

Publication date	Series	Method of release	Source
April 1980			
Wed 2	Capital issues and redemptions (during the month of March)	PN	Bank of England
	United Kingdom official reserves (March)	PN	HM Treasury
Tues 8	Housing starts and completions (February)	PN	D of the Environment
Wed 9	Wholesale price index numbers (March – provisional)	PN	D of Industry
	Retail sales (February – final)	PN	D of Trade
	Hire purchase and other instalment credit business (February)	PN	D of Trade
Thurs 10	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-March)	PN	Bank of England
	Provisional figures of vehicle production (March)	PN	D of Industry
	London clearing banks' monthly statement (mid-March)	PN	CLCB
Fri 11	Central government transactions (including borrowing requirement) (March)	PN	HM Treasury
	Usable steel products (March)	PN	BSC/BISPA
	Building societies' monthly figures (March)	PN	BSA
Wed 16	Indices of basic rates of wages (March)	PN	D of Employment
	Indices of average earnings (February)	PN	D of Employment
	Index of industrial production for Wales (4th quarter)	PN	Welsh Office
Thurs 17	Index of industrial production (February – provisional)	PN	CSO
	UK banks' assets and liabilities and the money stock (mid-March)	PN	Bank of England
	London dollar and sterling certificates of deposits (mid-March)	PN	Bank of England
	Balance of payments current account and overseas trade figures (March)	PN	D of Trade/CSO
Fri 18	Retail price index (March)	PN	D of Employment
	Tax and price index (March)	PN	CSO
Sun 20	Department for National Savings' monthly progress report (March)	PN	D for National Savings
Mon 21	Cyclical indicators for the UK economy (March)	PN	CSO
	Industrial and commercial companies' appropriation account, net acquisition of financial assets and net borrowing requirement (4th quarter)	PN	CSO
Tues 22	Unemployment (April – provisional)	PN	D of Employment
	Unfilled vacancies (April – provisional)	PN	D of Employment
Wed 23	Construction – new orders (February)	PN	D of the Environment
	New vehicle registrations (March)	PN	D of Transport
Thurs 24	Institutional Investment (4th quarter)	PN	CSO
	Bricks and cement production (March)	PN	D of the Environment
Fri 25	Sales and orders in the engineering industries (January)	*British Business*	D of Industry
Mon 28	Retail sales (March – provisional)	PN	D of Trade
Wed 30	CBI Industrial Trends Survey (April)	PN	CBI

PN—*Press Notice*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 317
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The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 21 March. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Correction to this Issue

Balance of payments article

Page 91, Table 13, *The UK Continental Shelf oil and gas programme:*

Volume of sales: Gas (million terajoules):

1978	Q2	**Delete** 0·4	**Substitute** 0·3
1978	Q3	**Delete** 0·2	**Substitute** 0·3

Identifiable balance of payments entries:
Imports less exports services:

1973	**Delete** – 207	**Substitute** – 57

Symbols used:

.. not available or not meaningful

– nil or less than half the final digit shown

§ series for which measures of variability are given on page 70

† indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 24 March 1980

Output

The output measure of gross domestic product (GDP) showed a growth of 1½ per cent between 1978 and 1979; about half of this rise was attributable to North Sea oil and gas activities. Output in the fourth quarter was at much the same level as in the third.

Industrial production rose by about 1 per cent between August to October and November to January. Allowing for the affects of the engineering strike in the autumn of 1979 and the steel strike in January, the underlying trend is probably flat.

Balance of payments

There was a visible trade deficit of £799 million in December to February compared with one of £704 million in September to November. Exports in the three months December to February were up by 9 per cent compared with the preceding three months in terms of value. By volume the increase was 3 per cent, with rises of 8 per cent for food, beverages and tobacco and 11 per cent for basic materials, but there was a 6½ per cent decline in fuels. The underlying trend in the volume of exports continues to be broadly flat. The value of imports rose by 9½ per cent between the two periods, within a volume increase of 1½ per cent. There were falls of 7 per cent in food, beverages and tobacco and 5 per cent in chemicals and basic materials. These falls were offset by rises in finished manufactures, particularly cars. The terms of trade worsened by 3 per cent reflecting increased prices for oil and silver.

The current account is estimated to have been £176 million in deficit in February. There was a deficit of trade in goods at £226 million and a surplus on invisible transactions projected at £50 million.

Consumers' expenditure

The volume of consumers' expenditure was 2 per cent higher in the fourth quarter of 1979 than in the third. Taking 1979 as a whole, consumers' expenditure was 4 per cent higher than in 1978. Expenditure on cars and motorcycles was 8 per cent higher while expenditure on wines and spirits and on radio and electrical goods both increased by 9 per cent. Expenditure on tobacco fell by 1½ per cent.

Capital expenditure

The volume of fixed investment rose slightly in the fourth quarter, the main component of this rise being an increase in the number of private sector dwellings completed. Total investment in the year 1979 was some 3 per cent less than in 1978. Half of this fall was caused by reduced investment in the North Sea oil and gas industries.

Stockbuilding

There was twice as much stockbuilding in 1979 as in 1978.

Companies

Gross trading profits of industrial and commercial companies rose by 25 per cent between 1978 and 1979 before deducting stock appreciation. Net of stock appreciation, the increase was a little over 5 per cent. Excluding North Sea oil there was a fall of 5 per cent.

The Department of Industry's survey of company liquidity taken in the fourth quarter showed that total current assets of the respondent companies fell by about £910 million while current liabilities rose by £200 million, giving a fall in net current assets of about £1,120 million. Their liquidity ratio fell sharply during the quarter from 93 per cent to 71 per cent, the lowest level since mid-1975; manufacturing companies' liquidity deteriorated more than that of non-manufacturing companies.

Unemployment and Vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 30,800 in March to 1,413,900. Vacancies notified to employment offices fell by 10,600 in March to 180,800

Earnings and wage rates

Average earnings of all employees in Great Britain rose by 19·9 per cent between January 1979 and January 1980. This estimate is based on the whole economy monthly index which is not seasonally adjusted, the seasonally adjusted older series index covering the production industries and some services fell by 0·5 per cent between December and January. But for the steel strike there would have been an increase of 1 per cent.

The index of basic weekly wage rates at the end of February, was 15·3 per cent higher than a year earlier.

Prices (not seasonally adjusted)

The price index for materials and fuel purchased by manufacturing industry rose by 2 per cent between January and February and was 28¾ per cent higher than in February 1979. Most of the latest increase was caused by higher crude oil prices, only partly cushioned by the appreciation of sterling against the dollar.

The wholesale price index for home sales of manufactured goods rose by 1½ per cent in February. The increase in this index since February 1979 was 18½ per cent. Petroleum products made the biggest contribution to the increase in February; in the food manufacturing sector, higher milk prices were also significant.

The index of retail prices in February was 248·8 (January 1974=100). This is an increase of 1·4 per cent on January and of 19·1 per cent on February 1979.

The tax and price index for February was 125·3 (January 1978=100), an increase of 16·9 per cent on February 1979.

Official reserves and the exchange rate (not seasonally adjusted)

UK official reserves rose by $229 million during February to $23,935 million.

The sterling effective exchange rate index (1971=100) started at 72·6 on 3 March and fell to 71·9 by 10 March. After recovering to 72·5 on 12 March, it fell to 72·2 at close on 19 March.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Economic events

February

13 The Department of Trade announced revised arrangements for the provision of credit for fixed rate sterling export and home shipbuilding.

14 The special employment measures programme for 1980–81 was announced. It is designed to reduce unemployment.
The Inland Revenue's annual report was published.

19 The Department of Employment published a consultative document proposing changes to the law on trade union immunity in respect of 'secondary' action in industrial disputes.

21 The 1980–81 capital allocation for housing investment programmes will be £540 million at 1979 survey prices (21 per cent lower than the forecast outturn for 1979–80). A supplementary rent increase guideline of 60p a week for the second half of 1980–81 for local authority housing was issued.

26 The Chancellor of the Exchequer appointed the Governor of the Bank of England, Mr Gordon Richardson, a member of the National Economic Development Council.

28 An independent committee is to be set up to review the enforcement powers of the two Revenue departments (Inland Revenue and Customs and Excise).

29 The Organisation for Economic Cooperation and Development (OECD) published its annual report on the UK economy.
The Bank of England postponed until 14 May the recall from banks of £500 million of special deposits which had been due on 7 March.

March

7 It was announced that the Public Expenditure White Paper, covering the years 1980–81 to 1983–84, would be published on Budget Day, 26 March.
The Bank of England extended for one month its £500 million loan to the London and Scottish clearing banks for the sale and repurchase of gilts (until 14 April).

11 A Green Paper on the future role of the Comptroller and Auditor General was published (Cmnd 7845). It is the first stage of the Government's review of the Exchequer and Audit Departments Acts.

Selected monthly indicators[1]

		Seasonally adjusted				Unadjusted						Seasonally adjusted	
		1976 =100	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	Jan. 1978 =100	Dec. 1971 =100	$ billion	£ million	
		Volume of retail sales (GB)[2,3,4] §	Index of industrial production[5] §	Unemployment[6,7] §	Vacancies[8,9] §	Average earnings (whole economy: GB)	Wholesale price of materials and fuel[10]	Retail price index (all items)	Tax and price index[11]	Sterling effective exchange rate	U.K. official reserves[12]	Balance of payments: Current balance	Money stock sterling M[3]
1978	*A*	99·6	111·0†	1,403·0	198·3	127·2	145·1	194·6	98·4	61·8	17·0	+257†	46,310
	M	100·2	110·2	1,386·3	203·4	129·4	146·8	195·7	99·0	61·5	16·7	+ 50	46,840
	J	100·6	110·5	1,379·6	210·5	133·1	147·0	197·2	100·0	61·3	16·5	+105	47,210
	J	102·9	111·0	1,367·9	211·3	133·6	145·8	198·1	100·5	62·1	16·7	+ 52	47,880
	A	103·1	111·9	1,370·6	214·1	131·7	144·2	199·4	101·3	62·4	16·4	+214	47,670
	S	100·9	111·0	1,357·2	224·8	134·2	144·8	200·2	101·8	62·7	16·5	− 10	48,140
	O	101·1	109·2	1,347·4	232·9	135·2	145·7	201·1	102·4	62·5	16·0	+245	48,490
	N	100·6	110·0	1,333·3	235·1	136·1	147·3	202·5	103·2	62·5	15·7	+ 71	48,800
	D	102·9	111·6	1,323·5	238·1	138·0	148·3	204·2	104·3	63·2	15·7	+218	49,520
1979	*J*	99·3	105·1	1,340·9	236·2	135·7	151·8	207·2	106·1	63·5	16·3	− 62	50,570
	F	100·9	112·3	1,366·0	229·0	141·1	153·3	208·9	107·2	63·7	16·6	−621	51,080
	M	101·6	113·2	1,360·3	232·0	143·7	155·2	210·6	108·2	65·0	21·9	−532	50,640
	A	106·1	113·4	1,325·3	243·6	144·3	160·6	214·2	110·5	66·9	21·5	− 86	51,360
	M	102·6	114·9	1,306·1	254·6	146·9	162·8	215·9	111·6	66·9	21·5	−125	52,090
	J	109·3	116·2	1,281·8	258·8	150·9	166·6	219·6	113·8	68·3	22·1	− 99	52,690
	J	98·5	116·1	1,276·4	252·9	155·6	168·1	229·1	113·8	71·9	23·4	+ 29	53,110
	A	100·8	112·5	1,262·0	248·6	153·3[13]	169·1	230·9	114·9	71·4	23·2	−141	53,670
	S	99·4	111·2	1,261·9	245·9	153·6[13]	172·5	233·2	116·2	69·8	22·7	−126	53,990
	O	100·8	112·1	1,278·8	238·4	158·1	178·1	235·6	117·6	68·4	22·3	−394	55,020†
	N	102·5	114·6	1,283·7	234·6	162·1	186·0	237·7	118·8	68·4	22·2	− 52	55,370†
	D	101·7	112·5	1,297·7	222·3	165·0	187·5†	239·4	119·8	69·7	22·5	−228	55,620
1980	*J*	102·8	112·2	1,336·7	206·9	162·6[14,15]	193·4[15]	245·3	123·2	71·4	23·4	−271	55,180
	F			1,383·1	191·4		197·2[15]	248·8	125·3	72·8	23·7	−176	56,700
	M			1,413·9[5]	180·8[15]								
		Percentage change, latest three months on previous three months											
1979	*A*	+ 1·6	+ 3·7†	+ 1·3	− 0·7	+ 4·7	+ 4·9	+ 3·2	..	+ 3·4	..	..	+ 2·8
	M	+ 2·1	+ 3·8	− 1·0	+ 3·8	+ 4·9	+ 5·6	+ 3·3	..	+ 4·4	..	..	+ 1·9
	J	+ 5·5	+ 4·2	− 3·8	+ 8·6	+ 5·1	+ 6·5	+ 3·7	..	+ 5·2	..	..	+ 2·5
	J	+ 1·1	+ 2·4	− 4·6	+ 8·8	+ 5·7	+ 6·1	+ 4·9	..	+ 5·9	..	..	+ 3·1
	A	—	+ 1·0	− 4·3	+ 4·1	+ 5·7[13]	+ 5·3	+ 6·0	..	+ 6·4	..	..	+ 3·5
	S	− 6·3	− 1·4	− 2·9	− 1·3	+ 4·6[13]	+ 4·0	+ 6·7	..	+ 5·4	..	..	+ 3·0
	O	− 3·5	− 3·3	− 1·6	− 4·4	+ 2·6	+ 4·5	+ 5·3	..	+ 1·2	..	..	+ 3·0
	N	− 2·4	− 2·0	+ 0·1	− 5·4	+ 3·0	+ 6·5	+ 4·0	..	− 2·4	..	..	+ 3·1
	D	+ 2·2	—	+ 1·6	− 7·0	+ 4·9	+ 8·2	+ 2·8	..	− 3·1	..	..	+ 3·3
1980	*J*	+ 2·0	+ 1·0	+ 3·0	− 9·4	+ 5·3[14,15]	+ 9·1[15]	+ 3·3	..	—	..	..	+ 2·8
	F			+ 5·0	−13·7		+ 7·7[15]	+ 3·8	..	+ 3·5	..	..	+ 2·5
	M			+ 7·1[15]	−16·7[15]								
		Percentage change, latest three months on corresponding period of previous year											
1979	*A*	+ 2·9	+ 4·1†	− 4·2	+22·5	+14·5	+10·1	+ 9·8	+ 8·4	+ 1·9	..	..	+11·5
	M	+ 3·2	+ 4·1	− 5·0	+23·1	+14·0	+10·3	+10·1	+10·5	+ 5·7	..	..	+11·0
	J	+ 6·1	+ 3·9	− 6·1	+23·7	+13·4	+11·6	+10·6	+12·9	+ 9·5	..	..	+11·2
	J	+ 2·7	+ 4·7	− 6·5	+22·6	+14·5	+13·2	+12·4	+13·3	+12·0	..	..	+11·2
	A	+ 1·3	+ 3·4	− 7·2	+19·6	+15·4[13]	+15·3	+14·3	+13·5	+13·9	..	..	+11·7
	S	− 2·6	+ 1·8	− 7·2	+14·9	+15·8[13]	+17·2	+16·0	+13·6	+13·8	..	..	+11·9
	O	− 1·3	+ 1·1	− 6·7	+ 9·1	+15·9	+19·6	+16·5	+14·1	+11·7	..	..	+12·7
	N	− 0·1	+ 2·3	− 5·3	+ 3·8	+16·8	+22·6	+17·0	+14·7	+10·1	..	..	+13·0
	D	—	+ 2·5	− 3·6	− 1·5	+18·6	+25·0	+17·3	+14·9	+ 9·7	..	..	+13·1
1980	*J*	+ 1·2	+ 3·9	− 2·0	− 6·4	+19·5[14,15]	+26·7[15]	+17·7	+15·4	+10·7	..	..	+12·3
	F			− 0·3	−11·8		+27·5[15]	+18·2	+16·0	+12·3	..	..	+11·5
	M			+ 1·6[15]	−16·9[5]								

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1980 is exceptionally a five-week period. Further details are given on page 716 of *Trade and Industry* 14 March 1975.
[4] This series has been released on the 1976 retailing inquiry. Further details are given on page 336 of *British business*, 29 February 1980, and on page 437 of the 14 March 1980 issue.
[5] All industries covered. [6] Unemployed excluding school-leavers.
[7] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette*, November 1979. [8] Vacancies notified to employment offices. [9] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette*. [10] Purchased by manufacturing industry.
[11] Described in an article in *Economic Trends* No. 310, August 1979. [12] See footnote [2] on page 50. [13] These figures are affected by the industrial dispute in the engineering industries. [14] See footnote [5] on page 40. [15] Provisional.

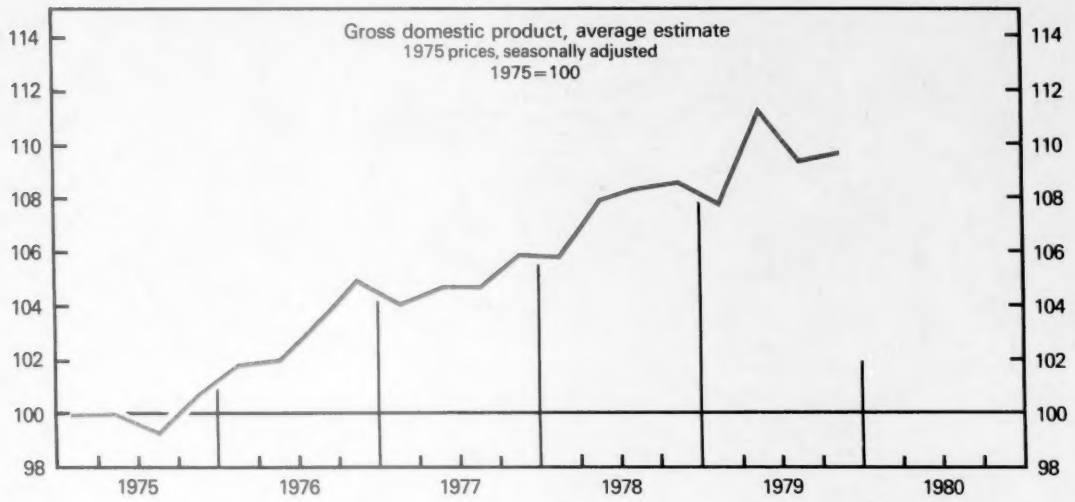
Tables and charts

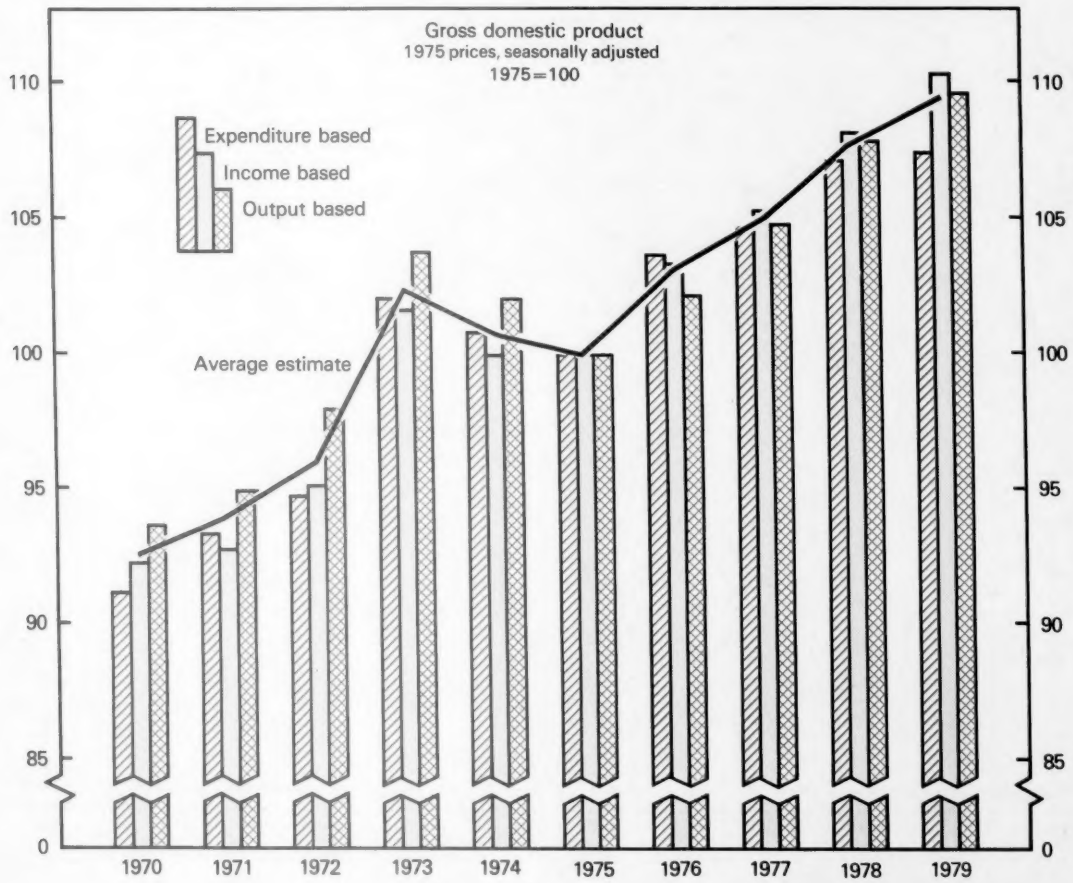
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income at 1975 market prices[2]
	At current prices				At 1975 factor cost						
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1969	39,579†	39,902	42·4	43·1	83,384†	89·3†	90·4	92·0	90·7†	47·4†	93·7†
1970	43,466	43,747	46·5	47·2	85,121	91·1	92·2	93·6	92·5	51·0	96·3
1971	49,351	48,746	52·8	52·6	87,167	93·3	92·7	94·9	93·8	56·6	98·2
1972	55,101	54,946	59·0	59·3	88,424	94·7	95·1	97·9	96·0	62·3	101·0
1973	63,941	63,157	68·3	68·2	95,510	102·0	101·6	103·7	102·3	67·0	105·5
1974	73,953	72,677[5]	79·0	78·5[5]	94,237	100·7	99·9[5]	102·0	100·7	78·4	100·0
1975	93,592	93,193†	100·0	100·0	93,592	100·0	100·0	100·0	100·0	100·0	100·0
1976	110,087	109,322	117·6	117·3†	96,951	103·6	103·3†	102·1	103·0	113·6	102·8
1977	124,528	124,802	133·1†	133·9	97,891	104·6	105·3	104·7†	104·9	127·2	103·7
1978	141,606	142,412	151·3	152·8	100,198	107·1	108·1	107·8	107·7	141·3	108·6
1979[6]	159,090	162,711	170·0	174·6	100,491	107·4	110·3	109·6	105·5[4]	158·3	111·1[4]
1975 *1*	21,532†	21,555†	92·0	92·5†	23,161†	99·0†	99·5†	101·3†	99·9	93·0†	100·2
2	23,057	22,702	98·6	97·5	23,582	100·8	99·7	99·8	100·1	97·8	
3	23,872	23,912	102·0†	102·6	23,170	99·0	99·6	99·2	99·3†	103·0	99·9
4	25,131	25,024	107·4	107·4	23,679	101·2	101·2	99·8	100·7	106·1	
1976 *1*	26,225	25,568	112·1	109·7	24,176	103·3	101·2	101·0	101·8	108·5	102·1
2	26,869	26,693	114·8	114·6	23,935	102·3	102·1	101·7	102·0	112·3	
3	27,920	27,929	119·3	119·9	24,294	103·9	104·3	101·9	103·4	114·9	103·4
4	29,073	29,132	124·3	125·0	24,546	104·9	105·6	104·0	104·9	118·4	
1977 *1*	29,534	29,855	126·2	128·2	24,102	103·0	104·5	104·7	104·1	122·5	102·7
2	30,439	30,945	130·1	132·8	24,326	104·0	106·1	104·1	104·7	125·1	
3	31,828	31,642	136·0	135·8	24,495	104·7	104·5	104·8	104·7	130·0	104·7
4	32,727	32,360	139·9	138·9	24,968	106·7	106·0	105·2	105·9	131·1	
1978 *1*	33,740	33,629	144·2	144·4	24,706	105·6	105·7	106·0	105·8	136·6	107·5
2	34,783	35,296	148·7	151·5	24,988	106·8	108·8	108·0	107·9	139·2	
3	36,134	36,414	154·6	156·3	25,206	107·7	108·9	108·7	108·4	143·5	109·7
4	36,899	37,073	157·7	159·1	25,298	108·1	109·1	108·7	108·6	145·9	
1979 *1*	36,902	37,657	157·7	161·6	24,858	106·2	108·9	107·9	107·8[4]	148·5	111·0[4]
2	39,944	40,179	170·7	172·5	25,017	109·5	110·6	111·4	111·3[4]	155·9	
3	40,594	41,427	173·5	177·8	24,992	106·8	109·5	109·5	109·4[4]	162·4	111·2[4]
4[6]	41,650	43,448	178·0	186·5	25,024	107·0	112·1	109·8	109·7[4]	166·4	
	Percentage change, period on corresponding period of previous year.										
1977 *1*	*+12·6*	*+16·8*	*+12·6*	*+16·8*	*−0·3*	*−0·3*	*+3·3*	*+3·7*	*+2·3*	*+12·9*	*+0·6*
2	*+13·3*	*+15·9*	*+13·3*	*+15·9*	*+1·6*	*+1·6*	*+3·9*	*+2·4*	*+2·6*	*+11·4*	
3	*+14·0*	*+13·3*	*+14·0*	*+13·3*	*+0·8*	*+0·8*	*+0·2*	*+2·8*	*+1·3*	*+13·1*	*+1·3*
4	*+12·6*	*+11·1*	*+12·6*	*+11·1*	*+1·7*	*+1·7*	*+0·4*	*+1·2*	*+1·0*	*+10·7*	
1978 *1*	*+14·2*	*+12·6*	*+14·2*	*+12·6*	*+2·5*	*+2·5*	*+1·1*	*+1·2*	*+1·6*	*+11·5*	*+4·7*
2	*+14·3*	*+14·1*	*+14·3*	*+14·1*	*+2·7*	*+2·7*	*+2·5*	*+3·7*	*+3·1*	*+11·3*	
3	*+13·7*	*+15·1*	*+13·7*	*+15·1*	*+2·9*	*+2·9*	*+4·2*	*+3·7*	*+3·5*	*+10·4*	*+4·8*
4	*+12·7*	*+14·6*	*+12·7*	*+14·6*	*+1·3*	*+1·3*	*+2·9*	*+3·3*	*+2·6*	*+11·3*	
1979 *1*	*+ 9·4*	*+12·0*	*+ 9·4*	*+12·0*	*+0·6*	*+0·6*	*+3·0*	*+1·8*	*+1·9*	*+ 8·7*	*+3·3*
2	*+14·8*	*+13·8*	*+14·8*	*+13·8*	*+2·5*	*+2·5*	*+1·7*	*+3·1*	*+3·2*	*+12·0*	
3	*+12·2*	*+13·8*	*+12·2*	*+13·8*	*−0·9*	*−0·9*	*+0·6*	*+0·7*	*+0·9*	*+13·2*	*+1·4*
4[6]	*+12·9*	*+17·2*	*+12·9*	*+17·2*	*−1·1*	*−1·1*	*+2·8*	*+1·0*	*+1·0*	*+14·1*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.
[4] Because of doubts about the reliability of the expenditure-based measure of GDP in 1979, these figures have been produced by projecting forward the average estimate in Q4 1978 by the quarterly movements in the output-based measure.
[5] Revised data from Inland Revenue have been incorporated from 1975 onwards; upward revisions to the figures for some earlier years are likely but are not yet available.
[6] Provisional.


Gross domestic product, average estimate
1975 prices, seasonally adjusted
1975=100
114
112
110
108
106
104
102
100
98
1975
1976
1977
1978
1979
1980


Gross domestic product
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
110
105
100
95
90
85
0
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979

Expenditure on the gross domestic product

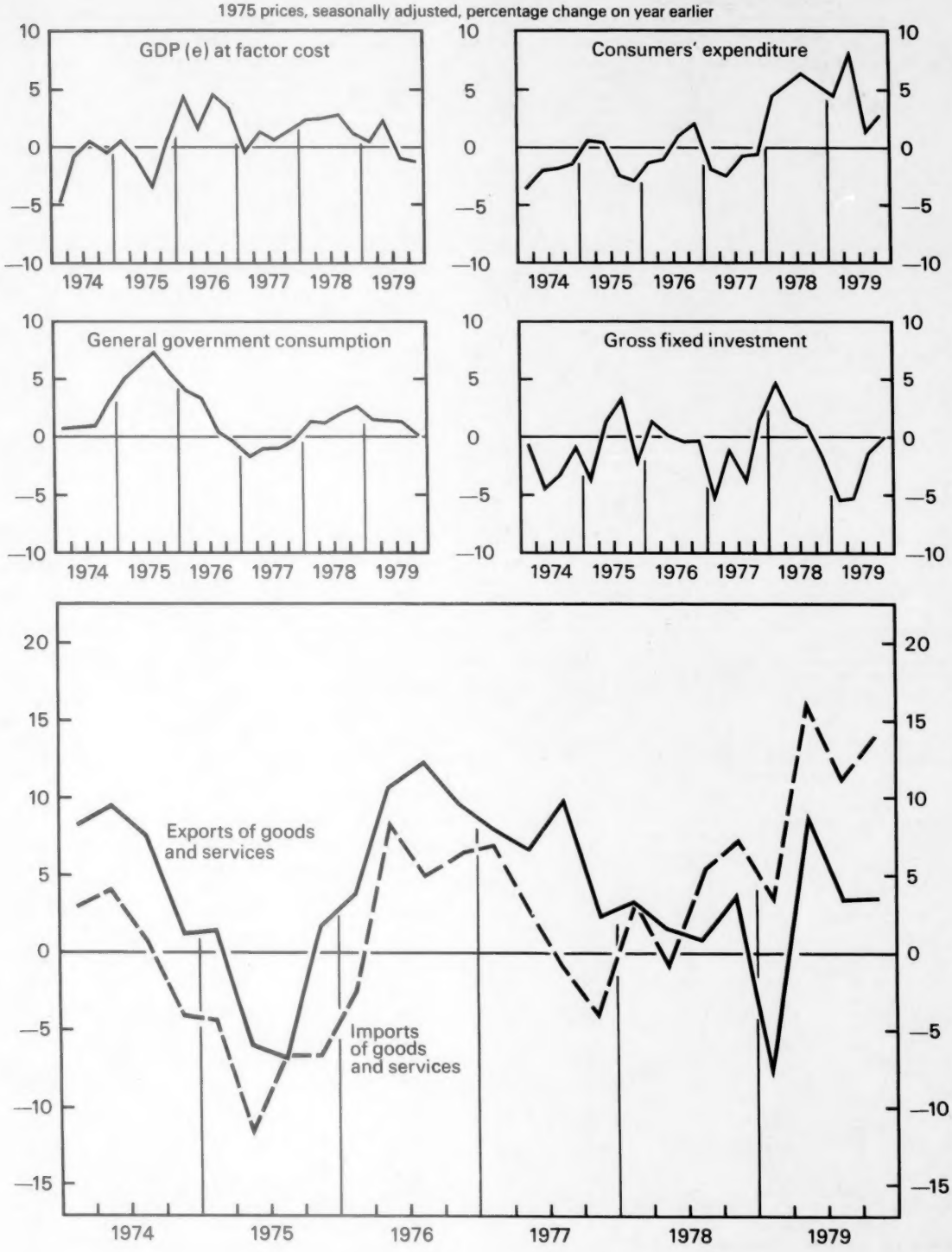
Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices					Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§			
1969	83,384†	115,040†	56,169	18,808	18,924	927	20,405†	22,745†	8,823
1970	85,121	118,326	57,676	19,076	19,425	798	21,513	23,947	9,163
1971	87,167	121,974	59,557	19,642	19,735	188	22,981	25,206	9,510
1972	88,424	126,558	62,999	20,451	19,767	152	23,235	27,714	10,239
1973	95,510	137,360	65,911	21,426	21,111	3,043	25,869	30,936	10,914
1974	94,237	136,112	64,418	21,732	20,636	1,655	27,671	31,242	10,633
1975	93,592	133,033	63,905†	23,050	20,545	−1,477	27,010	28,994	10,447
1976	96,951	138,031	64,030	23,477	20,612†	436	29,476	30,223	10,857
1977	97,891	139,265	63,198	23,250†	20,180	1,217	31,420	30,532	10,842
1978	100,198	143,718	66,680	23,704	20,476	832†	32,026	31,653	11,867†
1979[2]	100,491	147,914	69,398	23,971	19,858	2,030	32,657	35,142	12,281
1974 *1*	23,028†	33,462†	16,032	5,371	5,333	— 7	6,733†	7,716†	2,718
2	23,786	34,321	16,035	5,367	5,086	811	7,022	7,931	2,604
3	23,996	34,525	16,141	5,438	5,042	809	7,095	7,874	2,655
4	23,427	33,804	16,210	5,556	5,175	42	6,821	7,721	2,656
1975 *1*	23,161	33,224	16,167†	5,646	5,126	— 560	6,845	7,393	2,670
2	23,582	33,210	16,157	5,703	5,152	— 394	6,592	6,995	2,633
3	23,170	33,118	15,796	5,840	5,213	— 346	6,615	7,370	2,578
4	23,679	33,481	15,785	5,861	5,054	— 177	6,958	7,236	2,566
1976 *1*	24,176	34,045	15,961	5,873	5,208†	— 110	7,113	7,204	2,665
2	23,935	34,241	15,990	5,896	5,155	— 107	7,307	7,592	2,714
3	24,294	34,730	15,977	5,866	5,199	261	7,427	7,728	2,708
4	24,546	35,015	16,102	5,842	5,050	392	7,629	7,699	2,770
1977 *1*	24,102	34,521	15,670	5,773	4,921	482	7,675	7,710	2,709
2	24,326	34,773	15,611	5,836†	5,099	440	7,787	7,797	2,650
3	24,495	34,880	15,879	5,807	5,012	23	8,159	7,651	2,734
4	24,968	35,091	16,038	5,834	5,148	272	7,799	7,374	2,749
1978 *1*	24,706	35,638	16,403	5,879	5,162	266†	7,928	7,975	2,957
2	24,988	35,639	16,467	5,911	5,198	158	7,905	7,712	2,939
3	25,206	36,261	16,883	5,929	5,060	284	8,105	8,055	3,000†
4	25,298	36,180	16,927	5,985	5,056	124	8,088	7,911	2,971
1979 *1*	24,858	36,150	17,110	5,968	4,877	884	7,311	8,234	3,058
2	25,617	37,772	17,800	5,996	4,926	452	8,598	8,952	3,203
3	24,992	36,936	17,081	6,012	5,000	466	8,377	8,937	3,007
4[2]	25,024	37,056	17,407	5,995	5,055	228	8,371	9,019	3,013
	Percentage change, quarter on corresponding quarter of previous year								
1976 *1*	*+4·4*	*+2·5*	*−1·3*	*+4·0*	*+1·6*	..	*+ 3·9*	*− 2·6*	*− 0·2*
2	*+1·5*	*+3·1*	*−1·0*	*+3·4*	*+0·1*	..	*+10·8*	*+ 8·5*	*+ 3·1*
3	*+4·9*	*+4·9*	*+1·1*	*+0·4*	*−0·3*	..	*+12·3*	*+ 4·9*	*+ 5·0*
4	*+3·7*	*+4·6*	*+2·0*	*−0·3*	*−0·1*	..	*+ 9·6*	*+ 6·4*	*+ 8·0*
1977 *1*	*−0·3*	*+1·4*	*−1·8*	*−1·7*	*−5·5*	..	*+ 7·9*	*+ 7·0*	*+ 1·7*
2	*+1·6*	*+1·6*	*−2·4*	*−1·0*	*−1·1*	..	*+ 6·6*	*+ 2·7*	*− 2·4*
3	*+0·8*	*+0·4*	*−0·6*	*−1·0*	*−3·6*	..	*+ 9·9*	*− 1·0*	*+ 1·0*
4	*+1·7*	*+0·2*	*−0·4*	*−0·1*	*+1·9*	..	*+ 2·2*	*− 4·2*	*− 0·8*
1978 *1*	*+2·5*	*+3·2*	*+4·7*	*+1·8*	*+4·9*	..	*+ 3·3*	*+ 3·4*	*+ 9·2*
2	*+2·7*	*+2·5*	*+5·5*	*+1·3*	*+1·9*	..	*+ 1·5*	*− 1·1*	*+10·9*
3	*+2·9*	*+4·0*	*+6·3*	*+2·1*	*+1·0*	..	*− 0·7*	*+ 5·3*	*+ 9·7*
4	*+1·3*	*+3·1*	*+5·5*	*+2·6*	*−1·8*	..	*+ 3·7*	*+ 7·3*	*+ 8·1*
1979 *1*	*+0·6*	*+1·4*	*+4·3*	*+1·5*	*−5·5*	..	*− 7·8*	*+ 3·2*	*+ 3·4*
2	*+2·5*	*+6·0*	*+8·1*	*+1·4*	*−5·2*	..	*+ 8·8*	*+16·1*	*+ 9·0*
3	*−0·9*	*+1·9*	*+1·2*	*+1·4*	*−1·2*	..	*+ 3·4*	*+11·0*	*+ 0·2*
4[2]	*−1·1*	*+2·4*	*+2·8*	*+0·2*	—	..	*+ 3·5*	*+14·0*	*+ 1·4*

[1] For years up to and including 1972, totals differ from the sum of the components due to the method used to rebase on 1975 prices.
[2] Provisional.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1971	47,829	29,676	38,507	35,509	7·8	64,585	86·9†	59,557
1972	54,218	33,136	44,205	40,014	9·5	69,597	93·7	62,999
1973	63,007†	38,041†	51,123†	45,472	11·1†	74,102†	99·7	65,911
1974	76,280	46,000	60,810	52,088	14·3	75,205	101·2	64,418
1975	96,362	58,972	74,294	63,905†	14·0	74,294	100·0	63,905†
1976	111,424	66,586	85,459	73,966	13·4	73,979	99·6	64,030
1977	124,735	73,622	96,854	84,010	13·2	72,860	98·1	63,198
1978	142,195	83,587	112,247	96,308	14·1	77,716	104·6	66,680
1979[5]	166,797	97,234	133,285	112,245	15·7	82,406	110·9	69,398
1975 *1*	22,506†	13,972†	17,591†	14,810†	15·8†	19,192†	103·3†	16,167†
2	23,572	14,351	18,281	15,893	13·1	18,574	100·0	16,157
3	24,811	15,158	18,970	16,323	14·0	18,347	98·8	15,796
4	25,473	15,491	19,452	16,879	13·2	18,181	97·9	15,785
1976 *1*	26,553	15,867	20,370	17,560	13·8	18,510	99·7	15,961
2	27,372	16,417	20,831	18,065	13·3	18,433	99·2	15,990
3	28,386	16,962	22,012	18,690	15·1	18,812	101·3	15,977
4	29,113	17,340	22,246	19,651	11·6	18,224	98·1	16,102
1977 *1*	30,199	17,896	23,169	19,922	14·0	18,223	98·1	15,670
2	30,634	18,160	23,549	20,597	12·5	17,848	96·1	15,611
3	31,403	18,523	24,482	21,505	12·2	18,076	97·3	15,879
4	32,499	19,043	25,654	21,986	14·3	18,713	100·8	16,038
1978 *1*	33,562	19,818	26,137	22,952	12·2	18,684	100·6	16,403
2	35,292	20,683	27,666	23,558	14·8	19,343	104·1	16,467
3	36,080	21,289	28,840	24,659	14·5	19,751	106·3	16,883
4	37,261	21,797	29,604	25,139	15·1	19,938	107·4	16,927
1979 *1*	38,602	22,720	30,651	25,991	15·2	20,195	108·8	17,110
2	40,619	23,642	32,140	27,948	13·0	20,487	110·3	17,800
3	42,556	24,881	33,951	28,505	16·0	20,361	109·6	17,081
4[5]	45,020	25,991	36,543	29,801	18·5	21,363	115·0	17,407

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

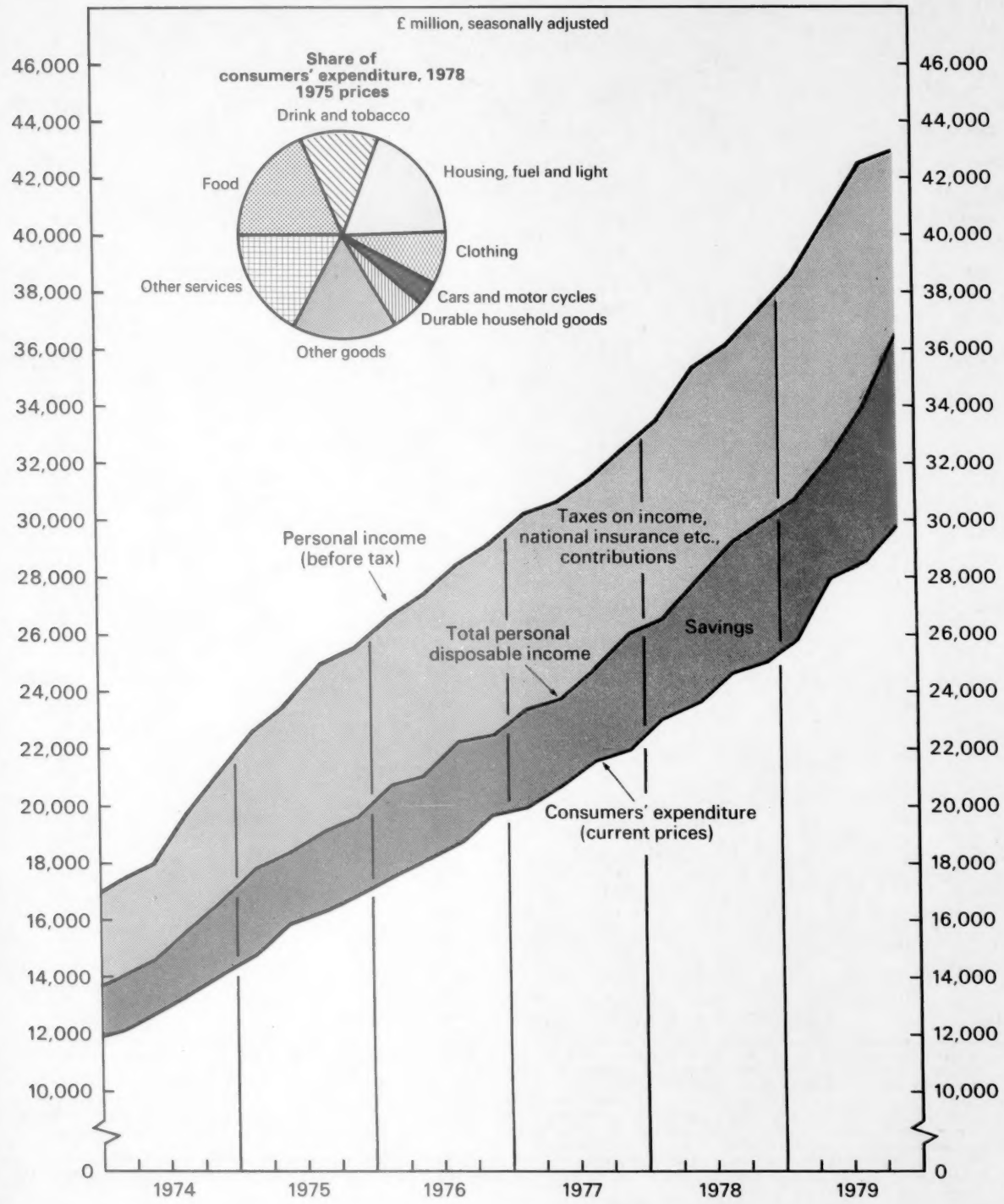
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1971	59,557	12,117	6,520	8,714	2,752	4,715	2,429	2,345	9,032	11,203
1972	62,999	12,025	6,961	8,917	2,854	4,964	2,986	2,811	9,869	11,747
1973	65,911	12,210	7,694	9,181	2,930	5,183	3,396	2,668	10,658	11,991
1974	64,418	12,099	7,777	9,081	2,984	5,109	3,236	1,820	10,735	11,577
1975	63.905†	12,072	7,604	9,286	2,914	5,173	3,198	1,810†	10,520†	11.328†
1976	64,030	12,189	7,664	9,256†	2,887	5,197	3,379	2,012	10,588	10,858
1977	63,198	12,049	7,460	9,400	2,962	5,102	3,151	1,854	10,536	10,684
1978	66,680	12,312	8,070†	9,611	3,014†	5,463	3,430	2,465	10,990	11,325
1979	69,398	12,526†	8,296	9,997	3,179	5,668†	3,610†	2,650	11,202	12,270
1977 *1*	15,670†	2,954	1,823	2,330†	731	1,282	785	463†	2,642†	2,660†
2	15,611	3,055	1,846	2,303	763	1,245	768	433	2,562	2,636
3	15,879	2,963	1,883	2,379	749	1,285	792	484	2,655	2,689
4	16,038	3,077	1,908	2,388	719	1,290	806	474	2,677	2,699
1978 *1*	16,403	3,045	2,010†	2,386	745	1,312	834	582	2,689	2,800
2	16,467	3,052	1,990	2,355	759	1,336	851	596	2,717	2,811
3	16,883	3,130	2,025	2,424	771	1,403	875	644	2,791	2,820
4	16,927	3,085	2,045	2,446	739	1,412	870	643	2,793	2,894
1979 *1*	17,110	3,044	2,105	2,474	855	1,369†	883†	615	2,776	2,989
2	17,800	3,156†	2,151	2,473	793	1,460	1,017	838	2,848	3,064
3	17,081	3,212	1,980	2,509	779	1,384	839	563	2,775	3,040
4	17,407	3,114	2,060	2,541	752	1,455	871	634	2,803	3,177

[1]For the years prior to 1973 the total differs from the sum of components due to the method of rebasing to 1975 prices.


£ million, seasonally adjusted
Share of consumers' expenditure, 1978 1975 prices
Drink and tobacco
Housing, fuel and light
Food
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)
46,000
44,000
42,000
40,000
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1974
1975
1976
1977
1978
1979

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted									
	Weekly average 1976 = 100							Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]							Hire purchase and other credit[3]	
	Total[4]	Total[4]	Food retailers[4]	Mixed retail businesses[4]	Clothing and footwear retailers	Household goods rerailers	Other non-food retailers	New registrations of cars[5]	New credit extended	Implied change in debt outstanding
Sales in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,093			
1969	..	..	..	..	..	..	..	82·3	1,584	− 11
1970	..	..	..	..	..	..	..	91·4	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	2,036	+251
1972	55·7	98·7	115·6	81·5	105	89	96	138·6	2,466	+438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	2,846	+444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	2,508	−164
1975	87·1	100·1	104·2	95·7	101	97	101	97·2	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	104·7	3,586	+343
1977	113·2	97·5	97·1	100·8	98	94	95	107·1	4,392	+625
1978	127·3	100·9	98·4	107·8	103	101	93	130·1	6,021	+1,206
1979	143·8	102·0	98·3	113·5	106	103	87	139·7	7,281†	+1,224
1975 *1*	82·6	102·7	107·7	95·2	104	102	105	103·0	710	− 6
2	87·7	101·6	104·2	97·2	101	104	102	94·0	752	+ 9
3	87·9	97·5	102·2	93·9	101	90	98	102·0	749	− 9
4	90·7	98·2	102·4	96·4	98	91	98	89·9	770	− 7
1976 *1*	94·8	99·5	101·1	98·9	99	97	100	100·7	833	+ 37
2	98·2	100·5	100·7	100·3	101	100	101	107·1	872	+ 79
3	101·1	100·3	100·1	100·3	100	101	100	95·5	913	+100
4	105·9	99·7	98·0	100·4	100	102	100	115·3	968	+127
1977 *1*	108·3	97·3	96·8	99·1	98	95	97	100·5	1,007	+144
2	110·3	96·1	96·7	98·5	94	93	94	99·0	1,100	+203
3	115·5	97·9	97·0	102·5	98	94	95	115·3	1,219	+262
4	118·9	98·6	97·8	102·8	101	95	95	113·6	1,292	+254
1978 *1*	121·5	99·6	98·9	104·6	101	98	93	126·9	1,372	+355
2	125·3	100·2	98·3	106·2	100	100	93	126·2	1,506	+375
3	130·2	102·2	98·1	110·5	105	104	93	139·3	1,559	+266
4	132·3	101·7	98·2	110·2	105	102	92	128·1	1,584	+210
1979 *1*	134·0	100·7	98·7	109·5	104	100	88	131·7	1,581	+220
2	144·8	106·2	99·9	118·3	109	113	91	171·8	1,867	+405
3	144·6	99·5	96·7	111·2	102	98	85	114·8	1,879	+324
4	151·9	101·7	97·9	114·9	108	100	84	140·3	1,954†	+275
1978 *O*	130·5	101·1	97·6	109·0	103	103	92	132·1	515	+ 68
N	130·8	100·6	97·3	109·3	99	101	93	126·1	568	+103
D	135·0	102·9	99·3	111·8	111	101	91	126·2	501	+ 39
1979 *J*	131·2	99·3	101·5	106·6	98	96	86	127·5	523	+ 69
F	134·1	100·9	96·5	109·8	106	103	90	121·4	531	+ 92
M	136·2	101·6	98·3	111·4	108	102	87	146·1	527	+ 59
A	142·6	106·1	100·1	120·7	112	103	92	151·8	566	+ 74
M	139·6	102·6	98·8	113·3	103	106	89	160·7	621	+132
J	150·8	109·3	100·6	120·4	111	125	93	202·9	680	+199
J	141·4	98·5	96·9	110·2	98	96	84	96·0	629	+113
A	146·5	100·8	96·1	113·7	108	98	86	124·4	634	+102
S	145·5	99·4	96·9	110·1	102	99	85	124·1	616	+109
O	149·1	100·8	97·6	113·3	106	98	84	138·0	663	+ 97
N	153·2	102·5	97·8	115·1	112	103	85	145·8	698	+144
D	153·1	101·7	98·3	116·0	106	99	83	137·2	593†	+ 34
1980 *J*	155·1	102·8	97·8	117·3	110	102	84	127·1	671	+ 77

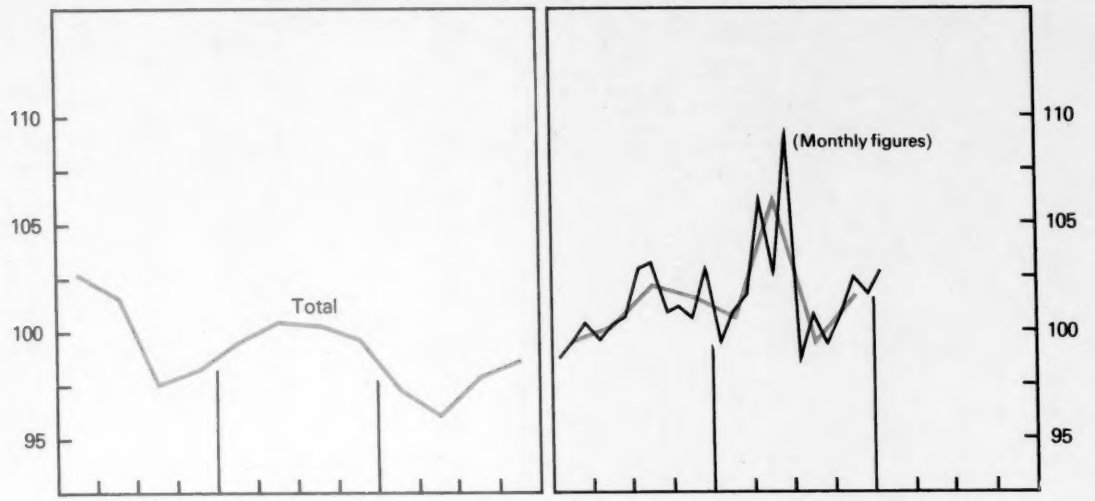
[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period.

[3] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. There is a break in the series between the first and second quarters of 1977 due to a change in coverage. Up to the first quarter of 1977 the series excludes 'other consumer credit grantors' but includes charges for credit. From the second quarter of 1977 charges for credit are excluded but 'other specialist consumer credit grantors' are included. For further details see *Trade and Industry*, 12 April 1979.

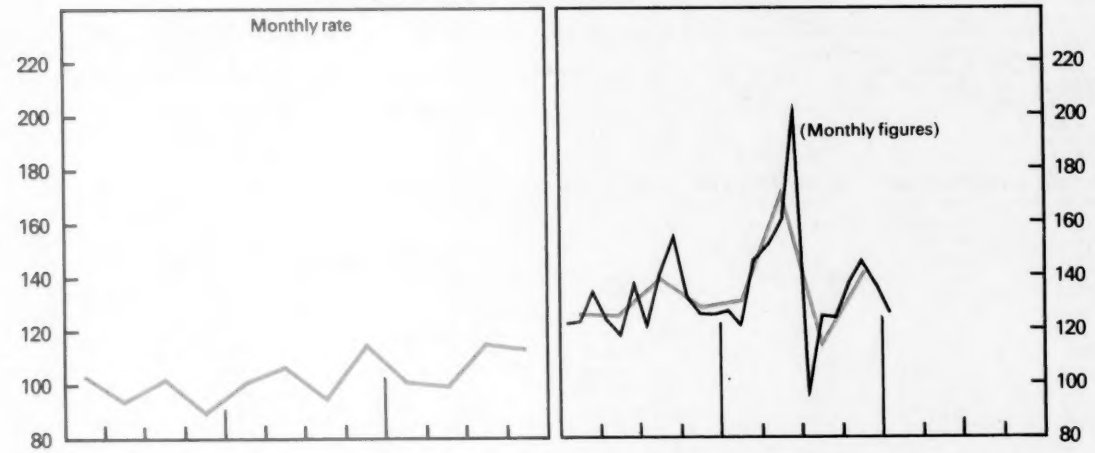
[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[5] These series have been rebased on the 1976 retailing inquiry. Further details are given on page 336 of *British business*, 29 February 1980 and page 437 of the 14 March 1980 issue.

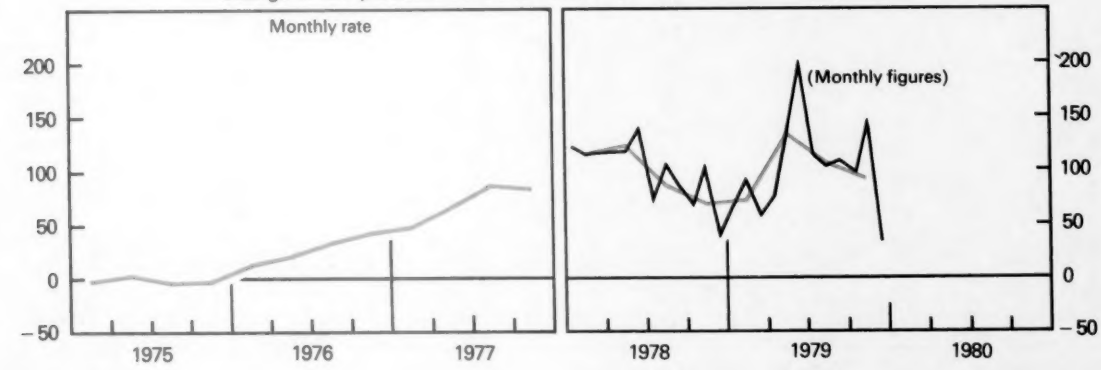
Volume of retail sales Weekly average 1971 = 100, seasonally adjusted



New registration of cars Thousands, seasonally adjusted



Change in hire purchase debt and other credit £ million, seasonally adjusted



Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1, 2]
1970	62,144†	51·1	14·4	3·9	2·7	8·6	18·6	44,837	67·8	13·2	19·0
1971	69,392	51·2	14·7	3·7	2·7	8·8	18·7	49,841	67·2	13·4	19·4
1972	76,986	52·0	15·1	3·5	2·3	9·2	17·7	56,283	66·9	13·2	19·9
1973	91,633	49·6	14·5	4·0	2·3	9·2	18·7	66,131	65·5	13·5	21·0
1974	109,793	47·5	15·0	4·0	2·6	8·8	20·9	78,734[3]	66·8[3]	12·1[3]	21·1[3]
1975	133,033	48·0	17·3	3·7	3·0	8·7	20·3	98,722†	69·1	11·3†	19·6
1976	160,067	46·2	16·7	3·4	2·9	8·5	21·9	115,812	67·4	12·3	20·3†
1977	184,040	45·6	15·8	2·6	2·6†	8·9	23·5	129,789	66·2	13·2	20·5
1978	206,764	46·6	15·9	2·2†	2·4	9·5†	22·9	146,604	66·4	13·0	20·5
1979[4]	239,824	46·8†	15·7†	2·1	2·3	9·1	22·5†	171,485	66·2	14·1	19·7
1977 *1*	43,779†	45·5	15·9	2·9	2·6	8·3	23·3	31,825†	65·6†	14·0	20·4
2	45,551	45·2	16·0	2·6	2·6	8·8	23·5	32,093	66·1	13·5	20·4
3	47,006	45·8	15·8	2·5	2·6	9·0	24·2	32,763	66·1	13·0	20·9
4	47,704	46·1	15·7	2·4	2·5	9·4	23·1	33,108	67·2	12·4	20·4
1978 *1*	49,430	46·4	15·9	2·3	2·3	9·6	22·9	34,436	66·9	12·4	20·7
2	50,795	46·4	15·8	2·2†	2·5	9·6†	23·0	36,435	66·2	13·4	20·4
3	52,831	46·7	15·8	2·3	2·3	9·4	22·9	37,396	66·3	13·1	20·6
4	53,708	46·8	16·0	2·1	2·4†	9·4	22·8	38,337	66·3	13·3	20·4
1979 *1*	54,835	47·4	15·9	2·2	2·4	9·1	20·9	39,719	66·5	13·0	20·5
2	59,752	46·8	15·2	2·0	2·2	9·0	23·3	42,347	65·3	15·2	19·5
3	61,431	46·4	15·9	2·3	2·4	9·1	23·0	43,816	66·4	14·2	19·4
4[4]	63,806	46·7†	15·7†	2·1	2·2	9·5	23·0†	45,603	66·5	14·1	19·4

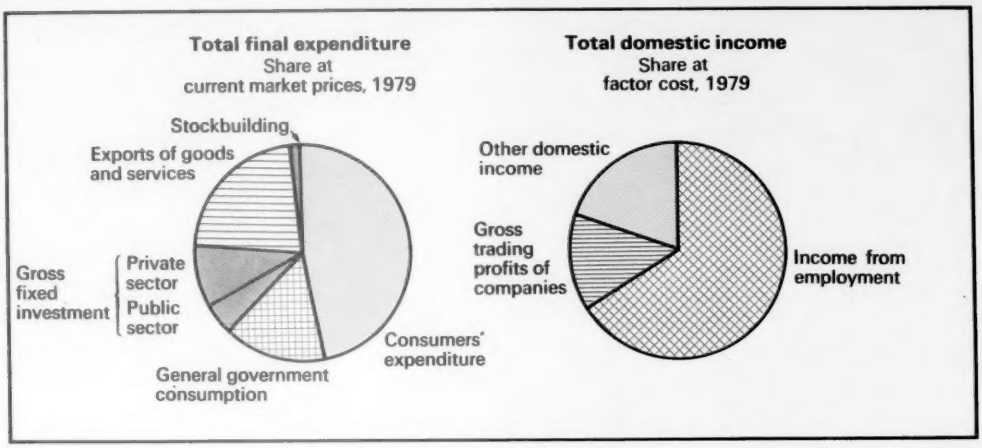
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.
[3] Revised data from Inland Revenue have been incorporated from 1975 onwards; upward revisions to the figures for earlier years are likely but are not yet available.
[4] Provisional.

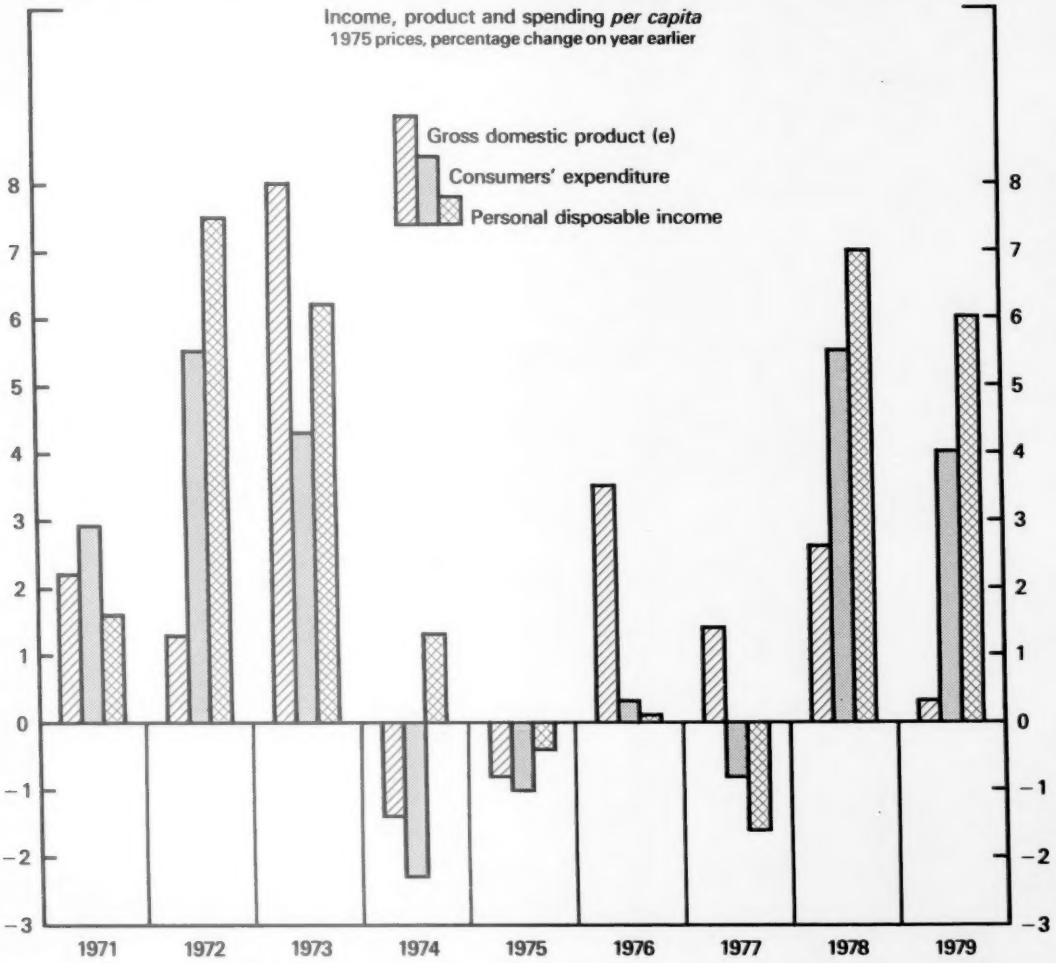
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income
1970	793	783	572	628	1,533	1,039	1,141
1971	895	886	637	691	1,565	1,069	1,159
1972	996	986	716	791	1,583	1,128	1,246
1973	1,164	1,142	812	913	1,706	1,177	1,323
1974	1,346	1,320	930	1,086	1,682	1,150	1,343
1975	1,685	1,672	1,142	1,327	1,672	1,142	1,327
1976	1,991	1,967	1,322	1,527	1,733	1,144	1,322
1977	2,231	2,227	1,502	1,732	1,751	1,130	1,303
1978	2,552	2,533	1,723	2,008	1,792	1,193	1,390
1979[3]	2,850	2,846	2,008	2,384	1,798	1,241	1,474
1976 *1*	473	468	314	364	432	285	331
2	486	480	323	372	428	286	329
3	506	499	334	393	434	285	336
4	526	520	351	398	439	288	326
1977 *1*	530	528	356	414	431	280	326
2	544	544	368	421	435	279	319
3	570	569	385	438	438	284	323
4	587	586	393	459	447	287	335
1978 *1*	607	604	411	467	442	293	334
2	628	622	421	495	447	295	346
3	653	647	441	516	451	302	353
4	664	660	450	530	452	303	357
1979 *1*	664	660	465	548	445	306	361
2	715	715	500	575	458	318	367
3	727	726	510	607	447	306	364
4[3]	744	745	533	654	448	311	382

[1] At factor cost. [2] Based on expenditure data. [3] Provisional


Total final expenditure
Share at
current market prices, 1979
Stockbuilding
Exports of goods
and services
Gross
fixed
investment
Private
sector
Public
sector
Consumers'
expenditure
General government
consumption
Total domestic income
Share at
factor cost, 1979
Other domestic
income
Gross
trading
profits of
companies
Income from
employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
−1
−2
−3
1971
1972
1973
1974
1975
1976
1977
1978
1979

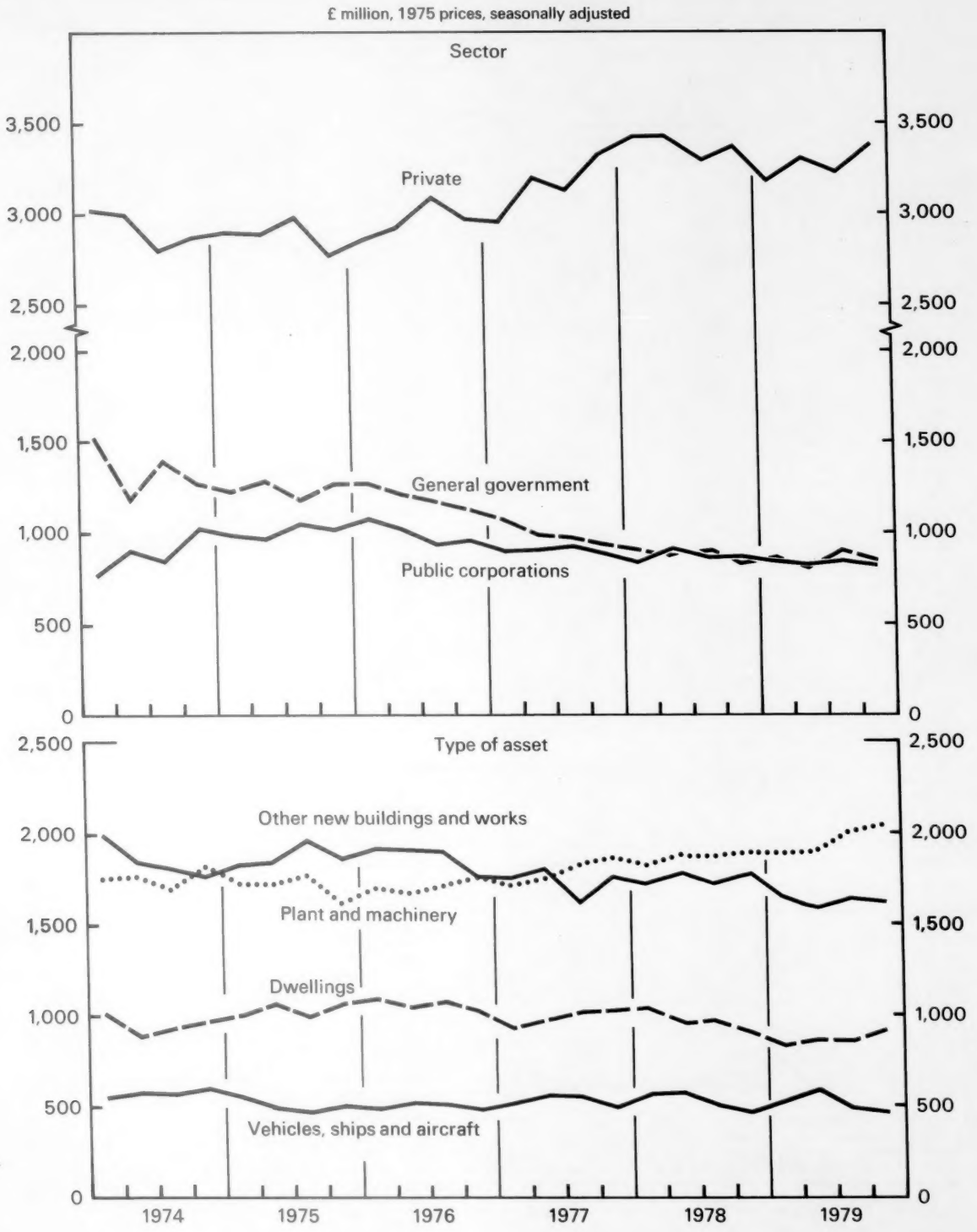
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

		Sector[2]			Type of asset					
					Dwellings					
	Total§	Private sector	General government	Public corporations	Total	*of which:* Private	*of which:* Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1968	18,852	9,815	5,446	3,604	4,379	2,341	2,134	7,243	1,722	5,894
1969	18,924	10,428	5,352	3,156	4,187	2,187	2,087	7,339	1,692	6,074
1970	19,425	10,704	5,444	3,281	3,850	2,047	1,879	7,661	1,816	6,384
1971	19,735	11,150	5,265	3,299	4,091	2,440	1,733	7,795	1,879	6,282
1972	19,767	11,782	5,045	2,904	4,309	2,745	1,609	7,687	2,145	6,023
1973	21,111	12,226	5,757	3,128	4,152	2,449	1,703	7,793	2,412	6,754
1974	20,636	11,715	5,365	3,556	3,826	2,004	1,822	7,424	2,326	7,060
1975	20,545	11,545	4,974	4,026	4,146	2,182	1,964	7,513	2,023	6,863
1976	20,612†	11,823†	4,795	3,994†	4,260	2,177	2,083	7,478†	2,011	6,863†
1977	20,180	12,583	3,970	3,627	3,953	2,021	1,932	6,930	2,133†	7,164
1978	20,476	13 506	3,522†	3,448	3,896†	2,256	1,640†	6,991	2,101	7,488
1979	19,858	13,126	3,409	3,323	3,482	1,927†	1,555	6,495	2,058	7,823
1974 *1*	5,333	3,034	1,524	775	1,020	564	456	1,998	558	1,757
2	5,086	3,007	1,170	909	890	487	403	1,849	583	1,764
3	5,042	2,797	1,401	844	941	440	501	1,812	577	1,712
4	5,175	2,877	1,270	1,028	975	513	462	1,765	608	1,827
1975 *1*	5,126	2,902	1,231	993	1,005	534	471	1,834	552	1,735
2	5,152	2,891	1,296	965	1,074	565	509	1,848	495	1,735
3	5,213	2,985	1,176	1,052	994	545	449	1,973	472	1,774
4	5,054	2,767	1,271	1,016	1,073	538	535	1,858	504	1,619
1976 *1*	5,208†	2,852†	1,277	1,079	1,099	560	539	1,915†	491	1,703
2	5,155	2,923	1,215	1,017	1,046	532	514	1,911	519	1,679†
3	5,199	3,086	1,172	941	1,079	566	513	1,889	515	1,716
4	5,050	2,962	1,131	957†	1,036	519	517	1,763	486	1,765
1977 *1*	4,921	2,947	1,072	902	937	428	509	1,749	516	1,719
2	5,099	3,196	990	913	980	505	475	1,803	562	1,754
3	5,012	3,109	973	930	1,015	536	479	1,616	555	1,826
4	5,148	3,331	935	882	1,021	552	469	1,762	500†	1,865
1978 *1*	5,162	3,424	905	833	1,043†	603	440†	1,724	565	1,830
2	5,198	3,423	873†	902	961	575	386	1,780	573	1,884
3	5,060	3,293	910	857	977	536	441	1,708	502	1,873
4	5,056	3,366	834	856	915	542	373	1,779	461	1,901
1979 *1*	4,877	3,182	855	840	836	452†	384	1,649	515	1,877
2	4,926	3,311	802	813	863	489	374	1,582	590	1,891
3	5,000	3,246	904	850	860	454	406	1,645	490	2,005
4	5,055	3,387	848	820	923	532	391	1,619	463	2,050
					Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	+ 1·6	− 1·7	+ 3·7	+ 8·7	+ 9·4	+ 4·9	+14·4	+ 4·4	−11·1	− 1·8
2	—	+ 1·1	− 6·2	+ 5·4	− 2·6	− 5·8	+ 1·0	+ 3·4	+ 4·8	− 3·2
3	—	+ 3·4	− 0·3	−10·6	+ 8·6	+ 3·9	+14·3	− 4·3	+ 9·1	− 3·3
4	− 0·3	+ 7·0	−11·0	− 5·8	− 3·4	− 3·5	− 3·4	− 5·1	− 3·6	+ 9·0
1977 *1*	− 5·5	+ 3·3	−16·1	−16·4	−14·7	− 5·7	− 5·6	− 8·7	+ 5·1	+ 0·9
2	− 1·1	+ 9·3	−18·5	−10·2	− 6·3	− 5·1	− 7·6	− 5·7	+ 8·3	+ 4·5
3	− 3·6	+ 0·7	−17·0	− 1·2	− 5·9	− 5·3	− 6·6	−14·5	+ 7·8	+ 6·4
4	+ 1·9	+12·5	−17·3	− 7·8	− 1·4	+ 6·4	− 9·3	− 0·1	+ 2·9	+ 5·7
1978 *1*	+ 4·9	+16·2	−15·6	− 7·6	+11·3	+40·9	−13·6	− 1·4	+ 9·5	+ 6·5
2	+ 1·9	+ 7·1	−11·8	− 1·2	− 1·9	+13·9	−18·7	− 1·3	+ 2·0	+ 7·4
3	+ 1·0	+ 5·9	− 6·5	− 7·8	− 3·7	—	− 7·9	+ 5·7	− 9·5	+ 2·6
4	− 1·8	+ 1·1	−10·8	− 2·9	−10·4	− 1·8	−20·5	+ 1·0	− 7·8	+ 1·9
1979 *1*	− 5·5	− 7·1	− 5·5	+ 0·8	−19·8	−25·0	−12·7	− 4·4	− 8·8	+ 2·6
2	− 5·2	− 3·3	− 8·1	− 9·9	−10·2	−15·0	− 3·1	−11·1	+ 3·0	+ 0·4
3	− 1·2	− 1·4	− 0·7	− 0·8	−12·0	−15·3	− 7·9	− 3·7	− 2·4	+ 7·0
4	—	+ 0·6	+ 1·7	− 4·2	+ 0·9	− 1·8	+ 4·8	− 9·0	+ 0·4	+ 7·8

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.


£ million, 1975 prices, seasonally adjusted
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1974
1975
1976
1977
1978
1979

Indicators of fixed investment by manufacturing industry

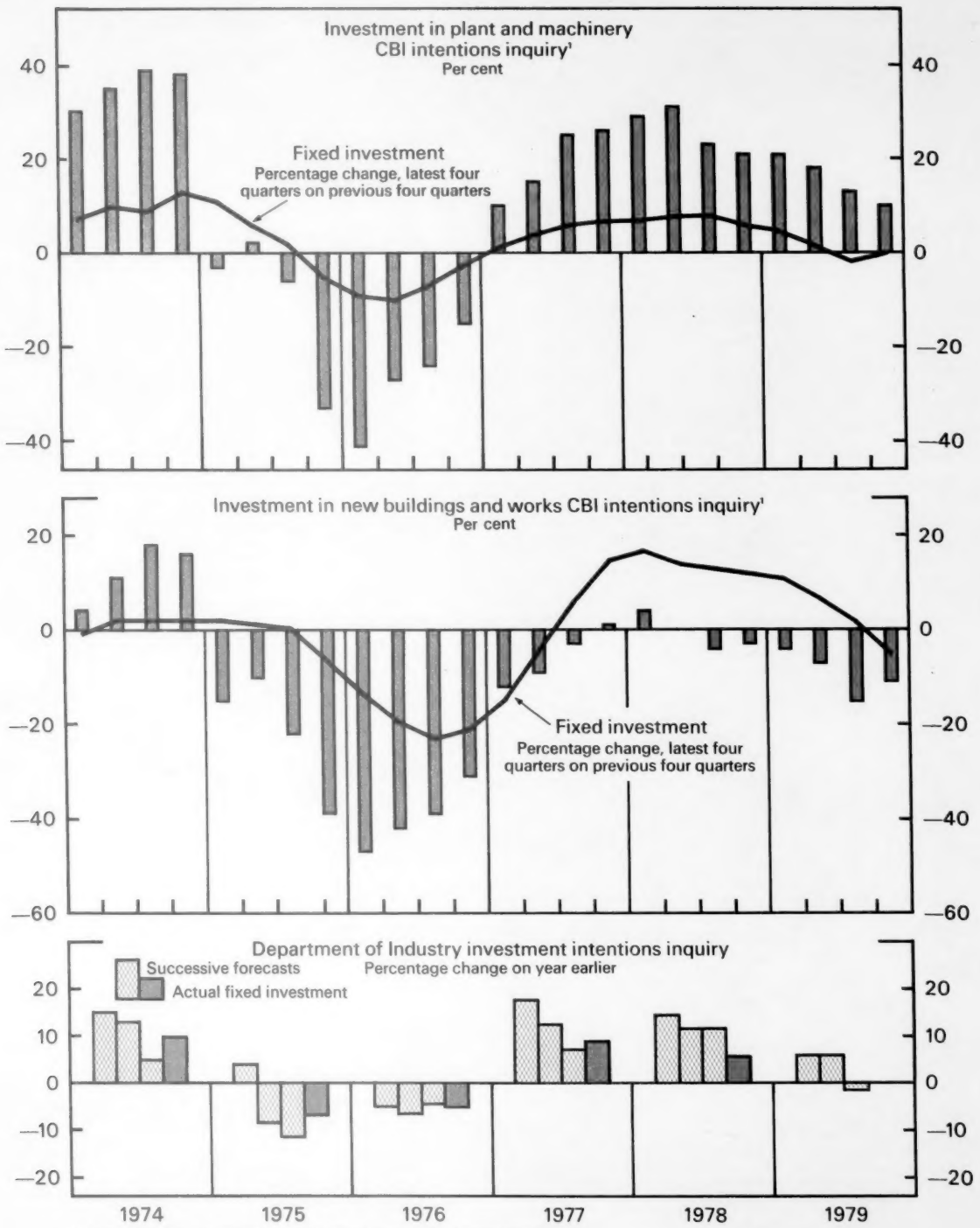
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969	3,877·0	2,679·5	+ *4*	..	973·6	+*16*	..	1,507
1970	4,177·0	2,974·2	+*11*	..	980·8	+ *1*	..	1,410
1971	3,897·7	2,795·3	− *6*	..	880·4	−*10*	..	1,012
1972	3,370·4	2,420·4	−*13*	..	710·6	−*19*	..	1,003
1973	3,439·8	2,505·3	+ *4*	..	674·4	− *5*	..	1,287
1974	3,781·8	2,821·3	+*13*	..	686·9	+ *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	− *7*	..	684
1976	3,341·3	2,598·0	− *3*	..	503·8	−*21*	..	797
1977	3,637·0	2,771·2	+ *7*	..	581·8	+*15*	..	958
1978	3,852·6	2,936·3	+ *6*	..	651·5	+*12*	..	1,001
1979[2]	3,844·2	2,939·5	—	..	621·7	− *5*	..	1,037[2]
1975 *1*	946·0	715·2	+ *3*	−41	176·6	+ *3*	−47	209
2	902·3	687·7	− *2*	−27	167·2	− *1*	−42	164
3	846·8	643·5	− *8*	−24	155·7	− *8*	−39	183
4	826·8	635·7	−*12*	−15	140·4	−*20*	−31	128
1976 *1*	819·2	631·4	−*12*	10	134·0	−*24*	−12	180
2	827·6	644·4	− *6*	15	122·9	−*26*	− 9	194
3	844·4	658·1	+ *2*	25	124·6	−*20*	− 3	193
4	850·1	664·1	+ *4*	26	122·3	−*13*	1	229
1977 *1*	876·4	667·1	+ *6*	29	139·9	+ *4*	4	213
2	898·3	680·2	+ *6*	31	144·2	+*17*	—	259
3	918·8	702·7	+ *7*	23	147·6	+*18*	− 4	242
4	943·5	721·2	+ *9*	21	150·1	+*23*	− 3	244
1978 *1*	945·7	723·3	+ *8*	21	152·2	+ *9*	− 4	269
2	969·8	745·5	+*10*	18	155·8	+ *8*	− 7	261
3	965·7	728·5	+ *4*	13	169·0	+*14*	−15	257
4	971·4	739·0	+ *2*	10	174·5	+*16*	−11	215
1979 *1*	973·5†	748·2†	+ *3*†	12	160·6†	+ *6*†	− 7	231
2	948·3	728·7	− *2*	12	145·9	− *6*	− 6	276
3	977·9	750·6	+ *3*	8	156·2	− *8*	− 9	244
4	944·5	712·0	− *4*	− 9	159·0	− *9*	−20	286[2]
1980 *1*				−18			−30	
2								

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·7
1972	little change, perhaps a rise	about −3	−7	−13·5
1973	+2 to +5	+2 to +5	+6	+ 2·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·9
1975	less than +5	−7 to −10	about −11 or −12	− 6·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·1
1977	between +15 and +20	+10 to +15	+7	+ 8·8
1978	between +12 and +17	+10 to +13	+10 to +13	+ 5·9
1979	+4 to +8	+4 to +8	no change to −3	
1980	fall up to −7	−6 to −10		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.

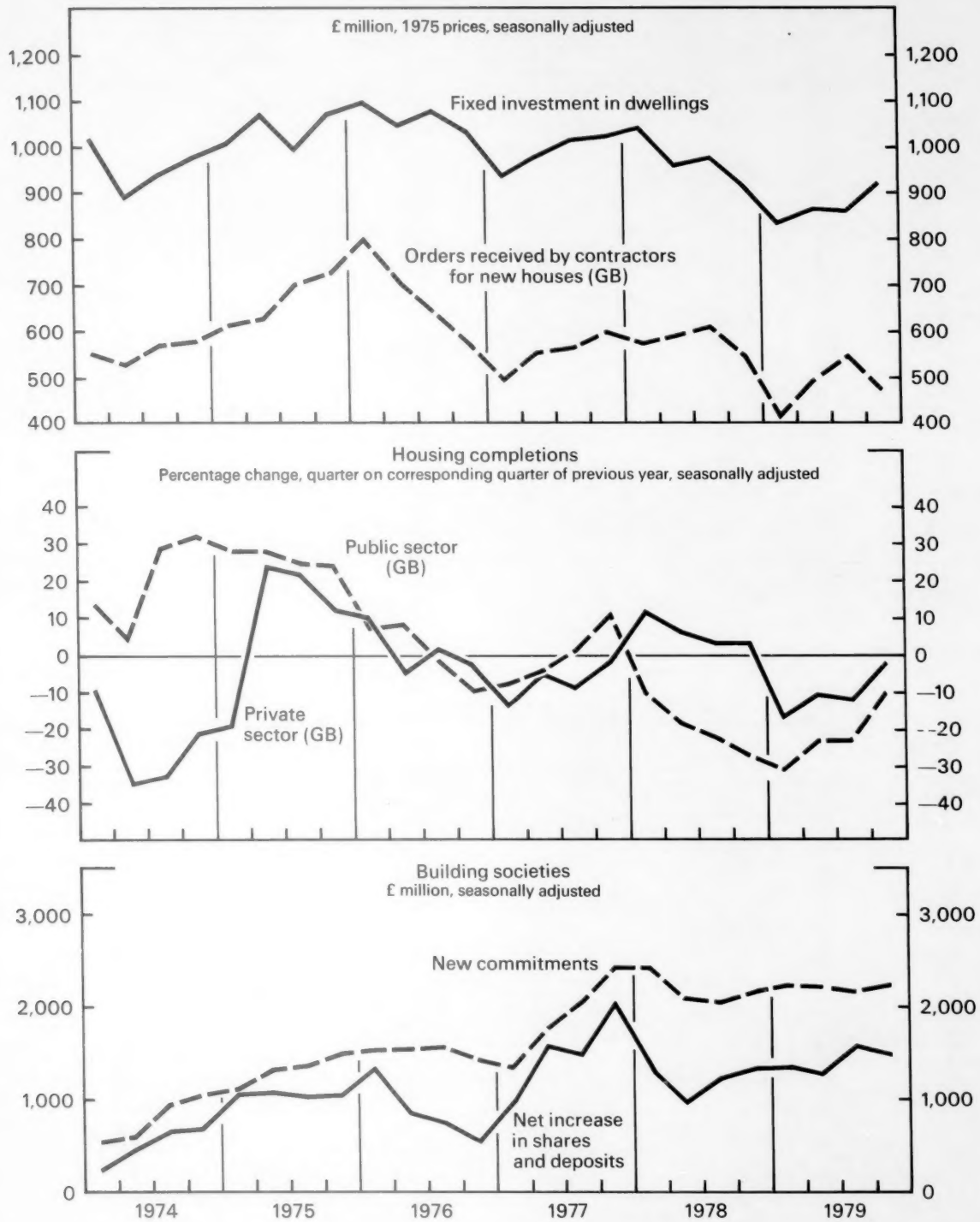


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1975 prices		Thousands				£ million		1975 = 100
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
				Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1969		4,187	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970		3,850	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971		4,091	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972		4,309	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973		4,152	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974		3,826	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975		4,146	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0[2]
1976		4,260	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977		3,953	2,214	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1978		3 896†	2,311	157·3	107·4	148·6	130·7	8,710	4,822	142·6
1979		3,482	1,928[3]	140·1†	80·1†	132·9†	102·0†	8,872	5,564	183·2
1974	*3*	941	568	22·5	36·5	30·9	33·9	931	634	92·3
	4	975	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975	*1*	1,005	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
	2	1,074	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
	3	994	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
	4	1,073	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976	*1*	1,099	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
	2	1,046	700	42·0	44·3	37·8	42·4	1,552	824	107·9
	3	1,079	640	39·3	44·3	38·3	41·5	1,581	727	110·3
	4	1,036	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977	*1*	937	494	29·9	30·3	33·7	37·5	1,337	963	112·7
	2	980	558	34·7	32·7	35·8	40·3	1,743	1,599	116·6
	3	1,015	563	35·3	34·6	34·8	41·8	2,018	1,487	120·5
	4	1,021	600	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978	*1*	1,043†	571	35·5	27·2	37·8	33·8	2,419	1,310	130·5
	2	961	587	39·6	30·0	37·9	33·1	2,091	969	138·0
	3	977	610	38·3	26·0	35·8	32·4	2,035	1,207	148·2
	4	915	542	43·9	24·2	37·1	31·4	2,165	1,336	157·6
1979	*1*	836	411	28·0†	18·2†	31·2†	23·2†	2,239	1,320	166·1
	2	863	494	35·4	20·5	33·8	25·4	2,226	1,227	178·2
	3	860	549	37·9	20·1	31·5	25·0	2,179	1,525	190·6
	4	923	474	38·8	21·3	36·4	28·4	2,228	1,492	201·8
1978	*J*	..	191	11·8	9·5	12·5	12·0	655	389	144·7
	A	..	215	11·6	8·0	11·4	10·2	683	381	148·7
	S	..	204	14·9	8·5	11·9	10·2	697	437	151·2
	O	..	189	14·5	8·7	12·2	10·3	709	429	154·7
	N	..	193	14·1	7·5	11·5	10·5	706	432	157·4
	D	..	160	15·3	8·0	13·4	10·6	750	475	161·2
1979	*J*	..	123	7·5	4·9†	10·4	7·1	774	510	162·2
	F	..	150	10·9†	6·4	11·0	8·0	742	367	167·0
	M	..	138	9·6	6·9	9·8	8·1	723	443	168·8
	A	..	147	10·8	7·0	10·8	8·4	734	372	173·9
	M	..	179	11·6	6·2	11·2	8·3	763	453	179·4
	J	..	168	13·0	7·3	11·8	8·7	729	402	181·5
	J	..	196	12·5	7·0	10·3	8·5	733	442	186·4
	A	..	182	11·3	6·8	9·7	8·0	740	523	192·7
	S	..	171	14·1	6·3	11·5	8·5	706	560	193·3
	O	..	160†	13·0	5·4	11·1	9·0	797	652	199·1
	N	..	151[3]	13·0	6·6	12·4	9·5	724	339	202·6
	D	..	163[3]	12·8	9·3	12·9	9·9	707	501	204·5†
1980	*J*	..		10·6	5·6	10·9	8·8	708	518	208·3
	F	..						748	377	
	M	..								

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[3] Provisional.


£ million, 1975 prices, seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
0
—10
—20
—30
—40
Public sector (GB)
Private sector (GB)
Building societies
£ million, seasonally adjusted
3,000
2,000
1,000
0
New commitments
Net increase in shares and deposits
1974
1975
1976
1977
1978
1979

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1978[2]	37,261	20,084	7,107	7,474	5,503	8,496	3,825	4,671	8,681
1974 *3*	809	662	250	137	276	− 33	− 91	58	180
4	42	71	− 50	− 43	163	− 34	− 96	62	5
1975 *1*	−560	−258	−351	− 16	110	−207	−109	− 98	− 95
2	−394	−187	−136	− 40	− 12	−190	− 93	− 97	− 17
3	−346	−390	−295	− 62	− 33	− 2	51	− 53	46
4	−177	−285	−140	− 94	− 51	46	45	1	62
1976 *1*	−110	− 46	−100	31	21	68	48	20	−132
2	−107	− 70	− 73	32	− 29	− 8	− 11	3	− 29
3	261	163	72	84	7	176	106	70	− 78
4	392	304	15	118	171	114	76	38	− 26
1977 *1*	482	251	92	136	23	212	109	103	19
2	440	199	− 11	20	190	252	16	236	− 11
3	23	4	− 19	− 23	46	− 83	− 43	− 40	102
4	272	55	− 45	82	18	79	− 34	113	138
1978 *1*	266†	112	6	63	43	79	45	34	75†
2	158	137	− 13	76	74	97	145	− 48	− 76
3	284	169	4	125	40	99	78	21	16
4	124	129	5	172	− 48	74	96	− 22	− 79
1979 *1*	754	53	− 29	− 16	98	142	61	81	559
2	262	149	106	89	− 46	222	64	158	−109
3	286	168†	27†	− 30†	171†	29†	96	− 67†	89
4[3]	108	− 37	19	− 77	20	181	181	—	− 36

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
[2] Unadjusted 1975 price stock levels.
[3] Provisional.

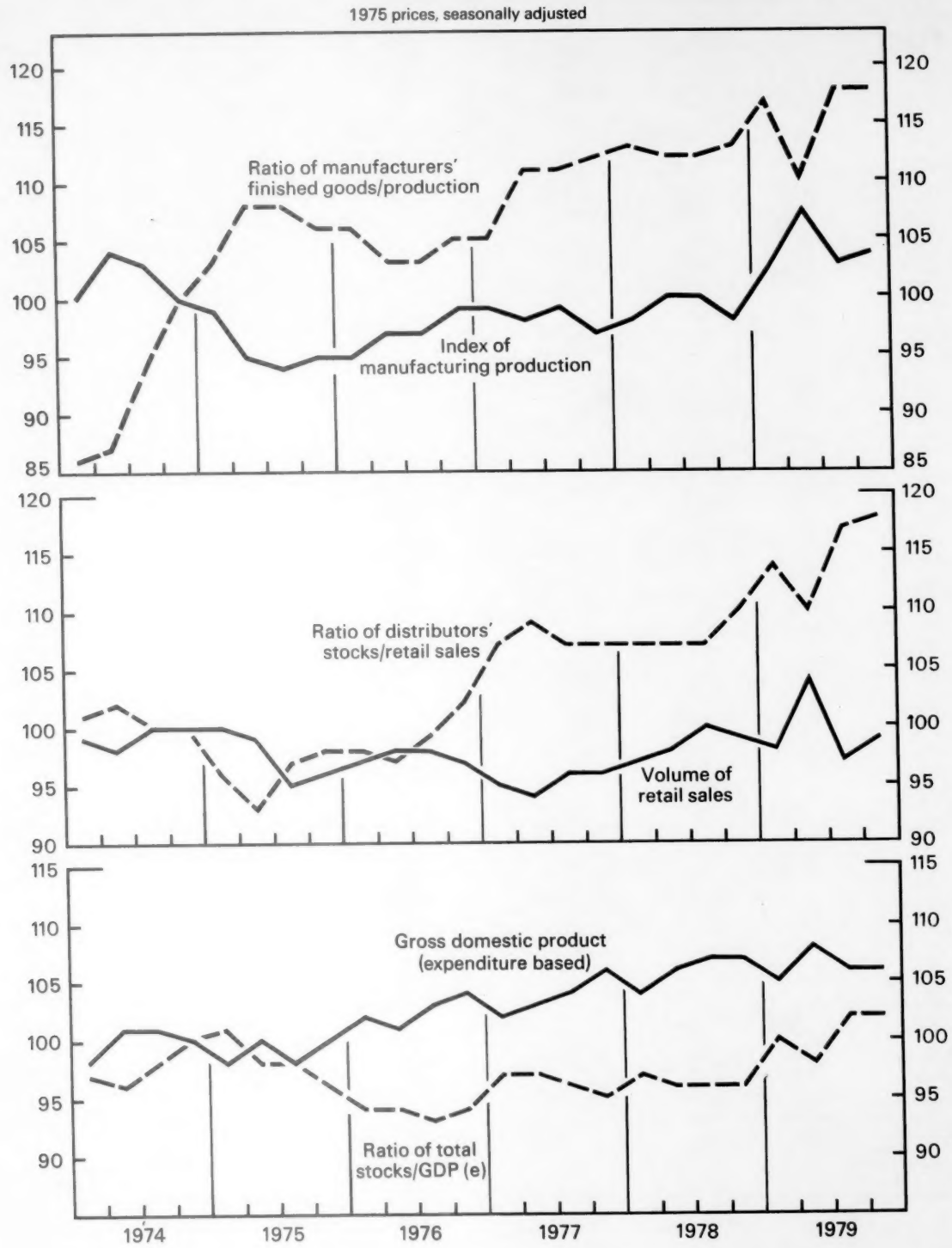
Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1974 *3*	98†	97	98	98	94	100
4	100	100	100	100	100	100
1975 *1*	101	100	96	101	103	96
2	98	103	99	105	108	93
3	98	102	96	105	108	97
4	96	100	94	102	106	98†
1976 *1*	94	99	92	103	106	98
2	94	97	89	101	103	97
3	93	97	90	102	103	99
4	94	97	89	102	105	102
1977 *1*	97	98	89	103	105	107
2	97	101	91	105	111	109
3	96	100	90	105	111	107
4	95	101	90	107	112	107
1978 *1*	97	102	90	107	113	107
2	96	100	88	106	112	107
3	96	101	88	108	112	107
4	96	103	89	112	113	110
1979 *1*	100	104†	90	113	117	114
2	98	100	87†	109†	110†	110
3	102	105	90	113	118	117
4[1]	102	105	91	112	118	118

[1] Provisional.

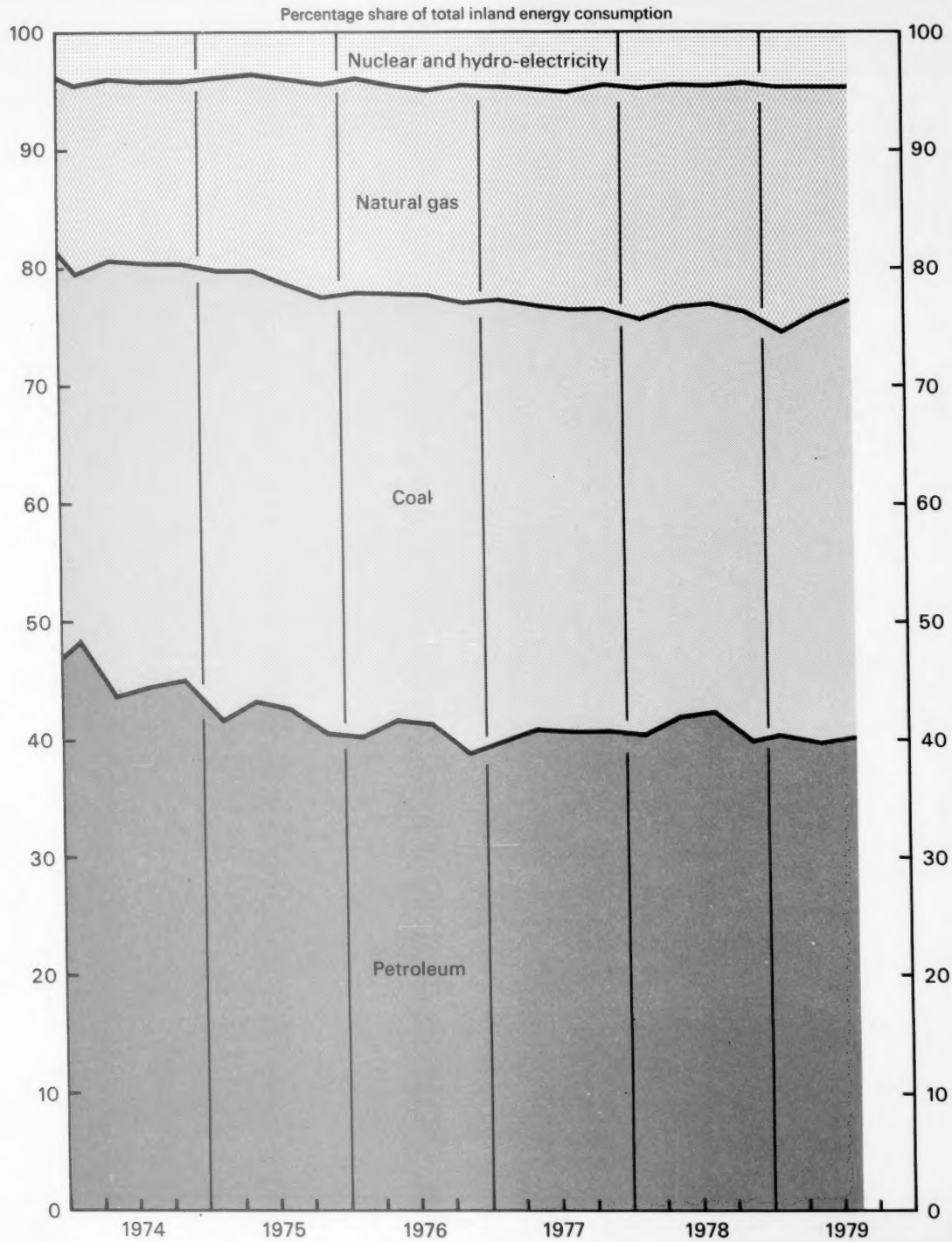

1975 prices, seasonally adjusted
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
120
115
110
105
100
95
90
85
1974
1975
1976
1977
1978
1979

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1978	339·1	119·4	139·2	65·0	13·4	2·1	246·3	15·85
1974 *3*	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3	15·79
2	341·2	118·7	142·9	64·2	13·3	2·1	248·1	15·68
3	338·3	117·2	143·6	62·4	13·2	1·9	253·9	15·79
4	343·4	125·2	136·7	66·5	12·5	2·5	245·7	16·15
1979 *1*	345·8	121·4	139·4	68·9	14·5	1·6	252·6	16·42
2	351·6	127·1	141·4	67·3	13·3	2·5	257·6	16·58
3	348·9	128·6	140·6	63·7	13·2	2·8	257·7	16·65
4								
	Percentage change, quarter on corresponding quarter of previous year							
1976 *3*	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−28·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·0*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·6*	*− 0·5*	*+ 6·2*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 5·6*
2	*+ 1·0*	*− 2·0*	*+ 3·8*	*+ 3·6*	*− 8·3*	*−12·5*	*+ 2·1*	*+ 2·3*
3	*− 0·7*	*− 3·6*	*+ 4·0*	*− 1·6*	*−15·9*	*+11·8*	*+ 2·3*	*+ 1·3*
4	*+ 1·7*	*+ 4·0*	*− 0·4*	*+ 3·4*	*− 4·6*	*+ 4·2*	*+ 6·0*	*+ 2·2*
1979 *1*	*+ 4·3*	*+ 4·0*	*+ 4·5*	*+ 6·2*	*− 0·7*	*−11·1*	*+ 6·4*	*+ 4·0*
2	*+ 3·0*	*+ 7·1*	*− 1·1*	*+ 4·8*	*—*	*+19·0*	*+ 3·8*	*+ 5·7*
3	*+ 3·1*	*+ 9·7*	*− 2·1*	*+ 2·1*	*—*	*+47·4*	*+ 1·5*	*+ 5·4*
4								

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends*, May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or re-injected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1974
1975
1976
1977
1978
1979

Index of industrial production

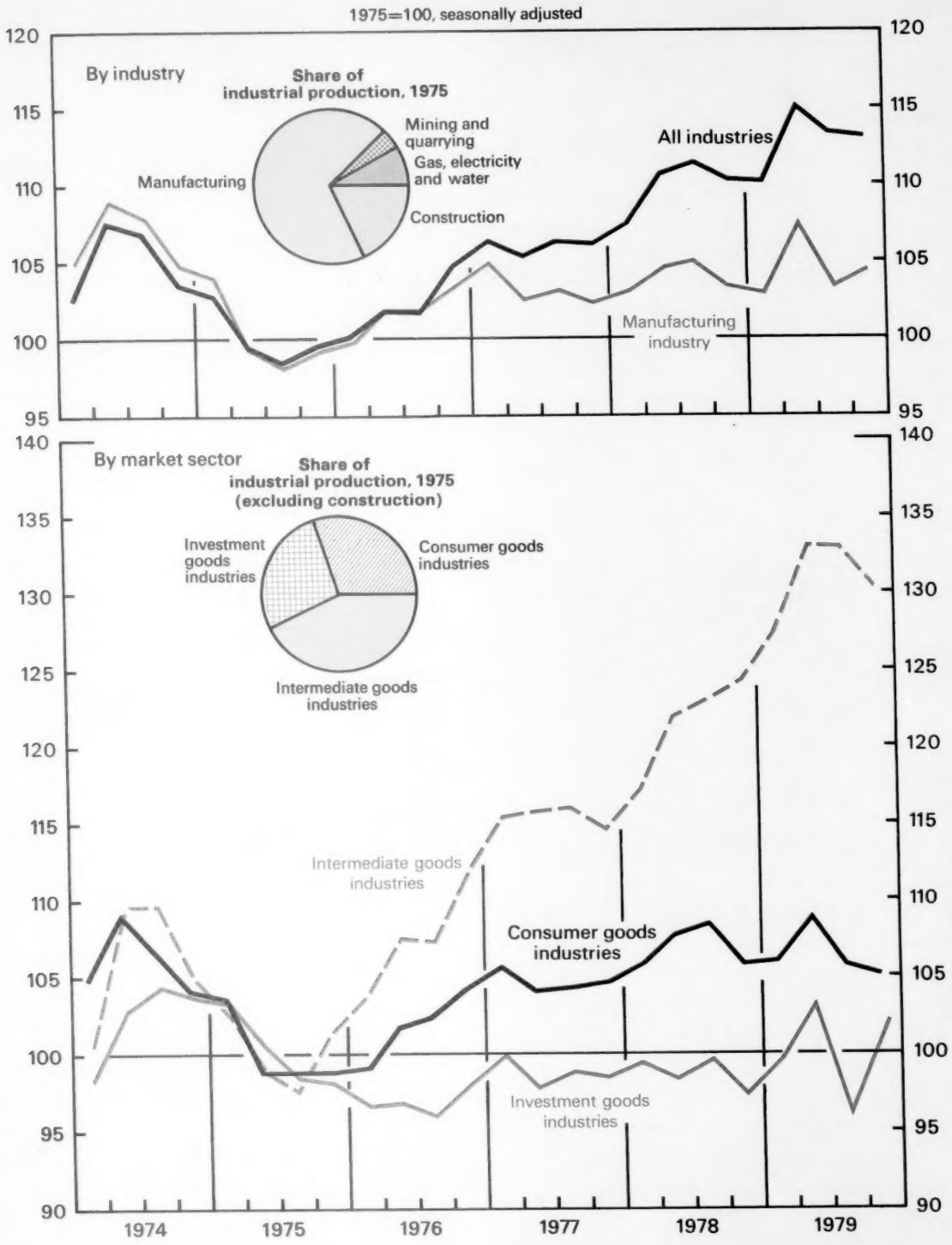
Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	102·9
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·1	108·3	118·2	99·3	108·0	99·0	112·6
1974	105·1	89·9	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·2	125·8	101·6	98·6	102·9	101·9	96·8	107·5
1977	106·0	187·7	103·0	98·4	107·1	104·7	98·6	115·3
1978	109·9	232·5	103·8	105·5	110·2	106·9	98·5	121·3†
1979	112·8†	293·8†	104·3†	102·8†	117·2†	106·4	99·9†	130·7
1974 *1*	102·8†	59·3†	104·8†	109·9	92·0	105·0†	98·1†	100·3
2	107·5	98·3	108·9	108·1	98·7	109·0	102·6	109·5
3	106·7	102·3	107·8	105·1†	103·0†	106·4	104·2	109·5
4	103·5	99·5	104·6	100·2	102·9	104·0	103·5	104·9
1975 *1*	102·7	95·6	104·0	100·8	99·3	103·7	103·3	102·6†
2	99·4	98·3	99·1	100·4	100·6	98·8	100·4	98·7
3	98·3	98·5	98·0	99·5	98·2	98·7	98·3	97·3
4	99·6	107·7	99·0	99·3	101·8	98·8	97·9	101·4
1976 *1*	100·5	110·2	99·6	100·3	103·5	99·1	96·5	103·7
2	101·9	120·0	101·8	97·8	102·3	101·7	96·7	107·3
3	101·6	126·0	101·7	96·4	100·2	102·5	96·0	107·2
4	104·7	147·0	103·4	100·0	105·4	104·2	97·9	111·7
1977 *1*	106·2	174·7	104·7	96·3	106·2	105·6	99·6	115·4
2	105·4	190·2	102·3	96·9	108·4	104·1	97·7	115·6
3	106·2	190·1	102·9	98·9	107·6	104·3	98·6	115·9
4	106·1	195·7	102·1	101·2	105·9	104·6	98·3	114·5
1978 *1*	107·3	209·5	102·9	101·4	107·5	105·7	99·2	117·0
2	110·6	228·7	104·3	107·6	111·6	107·7	98·2	121·7
3	111·3	236·3	104·8	107·4	112·6	108·4	99·4	122·7
4	110·3	255·6	103·1	105·8	109·1	105·8	97·2	124·0
1979 *1*	110·2	277·1	102·8	96·0	121·4	106·0	99·3	127·2
2	114·9	295·0	107·1	102·8	117·5	108·8	103·0	132·8
3	113·3	307·4	103·2	107·0	115·3	105·6	95·9	132·7
4	113·1	295·8	104·1	105·4	114·6	105·1	101·2	130·1
1978 *J*	111·0†	235	104·3†	..	114†	108	99†	122†
A	111·9	237	105·6	..	112	110	100	123
S	111·0	237	104·4	..	111	108	99	122
O	109·2	242	102·4	..	108	105	97	122
N	110·0	260	102·9	..	105	106	96	124
D	111·6	264	103·9	..	114	107	99	126
1979 *J*	105·1	280	95·3	..	121	102†	94	119
F	112·3	284	105·4	..	122	107	102	131
M	113·2	268†	107·7	..	121	110	103	131
A	113·4	280	106·0	..	117	107	103	130
M	114·9	299	106·8	..	120	109	103	133
J	116·2	307	108·5	..	116	111	103	135
J	116·1	313	107·0	..	115	109	101	135
A	112·5	303	102·3	..	116	105	95	132
S	111·2	306	100·5	..	115	104	92	131
O	112·1	300	102·8	..	112	104	98	130
N	114·6	296	105·8	..	120	107	103	132
D	112·5	292	103·8	..	112	105	103	128
1980 *J*	112·2	300	102·9	..	119	107	103	127
F				..				
M				..				

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975=100, seasonally adjusted
By industry
Share of industrial production, 1975
Mining and quarrying
Gas, electricity and water
Manufacturing
Construction
All industries
Manufacturing industry
By market sector
Share of industrial production, 1975 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
120
115
110
105
100
95
140
135
130
125
120
115
110
105
100
95
90
1974
1975
1976
1977
1978
1979

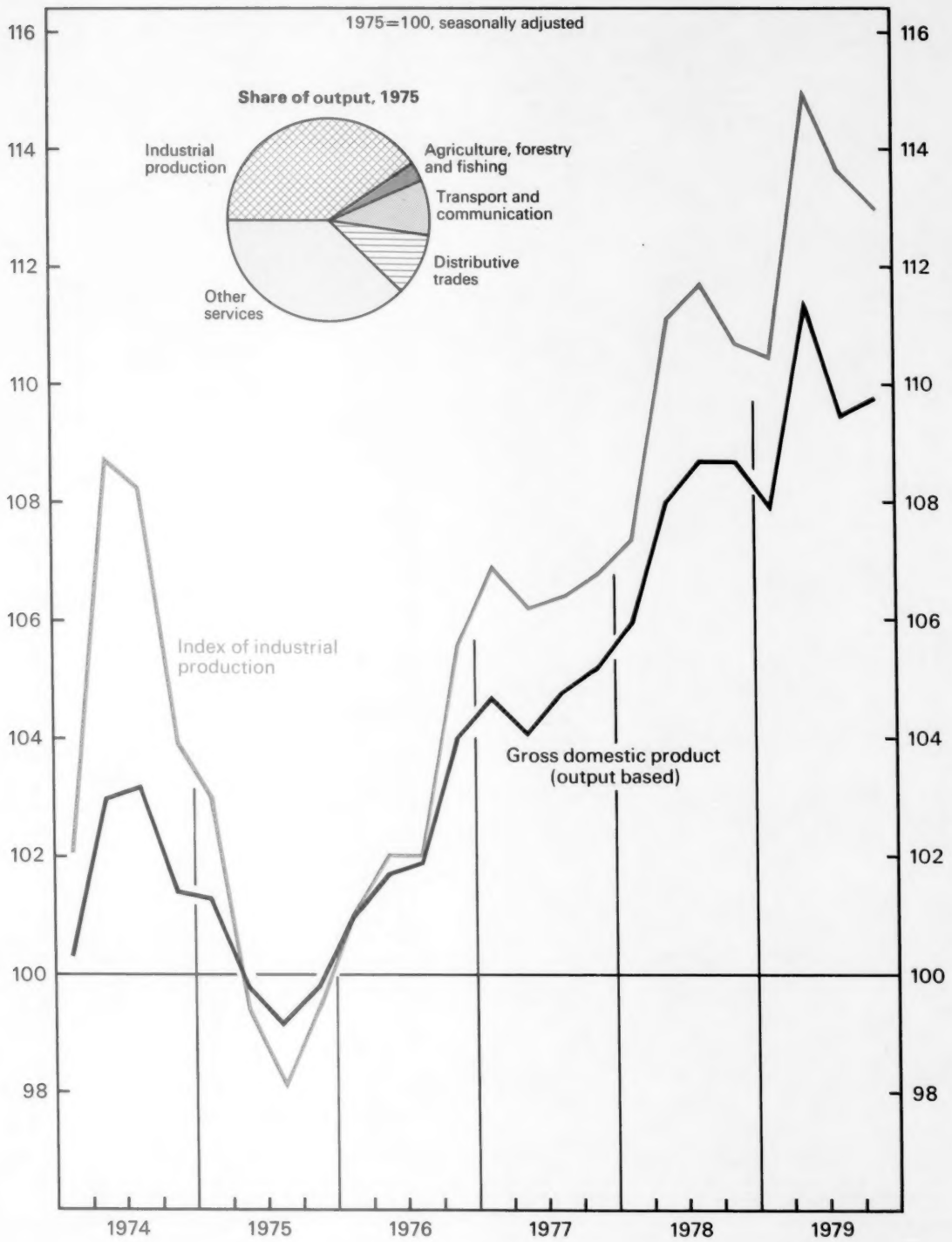
Index numbers of output

	Seasonally adjusted					
	1975=100					
	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·2	91	97·0	80	92	85
1969	92·0	91	99·6	83	93	86
1970	93·6	96	99·7	86	95	88
1971	95·0†	101	99·5	89	96	91
1972	97·9	105	101·5	93	101	94
1973	103·7	108	109·8	100	107	97
1974	102·0	110	105 8	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·2	93	102·6†	99	101	103†
1977	104·7	106	106·6	103†	99	105
1978	107·9	113	110·2	106	103	107
1979	109·6	110	113·0	110	106	107
1974 *1*	100·3†	111	102·2†	99	104	97
2	103·0	112	108·7	101	102	97
3	103·2	111	108·2	101	104	97
4	101·4	107	103·9	101	103	98
1975 *1*	101·3	103	102·9	101	103	99
2	99·8	101	99·4	100	101	100
3	99·2	99	98·1	100	98	101
4	99·8	97	99·5	98	98	101
1976 *1*	101·0	94	101·0	98	101	103
2	101·7	90	102·0	99	101	103†
3	101·9	91	102·0	99	101	103
4	104·0	96	105·6	102	101	104
1977 *1*	104·7	102	106·9	104	99	104
2	104·1	105	106·2	102	97	104
3	104·8	108	106·4	102	99	105
4	105·2	109	106·8	103	99	105
1978 *1*	106·0	111	107·4	104	101	106
2	108·0	114	111·1	106	103	106
3	108·7	115	111·7	105	105	107
4	108·7	113	110·7	108	105	107
1979 *1*	107·9	111	110·5	105	104	107
2	111·4	110	115·0	113	109	108
3	109·5	110	113·6	112	104	106
4	109·8	111	113·0	112	106	107
	Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	*− 0·2†*	*− 9·4*	*− 1·9†*	*− 3·3†*	*− 2·5*	*+ 3·8†*
2	*+ 2·0*	*−10·8*	*+ 2·6*	*− 1·6*	*− 0·4*	*+ 3·7*
3	*+ 2·7*	*− 7·5*	*+ 3·9*	*− 0 8*	*+ 3·3*	*+ 2·9*
4	*+ 4·2*	*− 1·0*	*+ 6·1*	*+ 3·4*	*+ 3·0*	*+ 3·0*
1977 *1*	*+ 3·6*	*+ 8·7†*	*+ 5·9*	*+ 5·7*	*− 1·2*	*+ 1·6*
2	*+ 2·4*	*+16·5*	*+ 4·2*	*+ 3·0*	*− 3·2*	*+ 0·7*
3	*+ 2·8*	*+18·2*	*+ 4·4*	*+ 2·7*	*− 1·8*	*+ 1·3*
4	*+ 1·1*	*+13·3*	*+ 1·1*	*+ 0·9*	*− 1·4*	*+ 1·1*
1978 *1*	*+ 1·3*	*+ 9·4*	*+ 0·5*	*+ 0·2*	*+ 1·7*	*+ 1·7*
2	*+ 3·8*	*+ 8·7*	*+ 4·6*	*+ 4·2*	*+ 5·4*	*+ 2·0*
3	*+ 3·7*	*+ 6·5*	*+ 4·9*	*+ 3·2*	*+ 5·5*	*+ 1·9*
4	*+ 3·3*	*+ 3·7*	*+ 3·7*	*+ 4·7*	*+ 6·0*	*+ 1·9*
1979 *1*	*+ 1·7*	*− 0·5*	*+ 2·9*	*+ 0·7*	*+ 3·1†*	*+ 0·6*
2	*+ 3·1*	*− 4·1*	*+ 3·5*	*+ 6·4*	*+ 6·6*	*+ 1·5*
3	*+ 0·8*	*− 4·3*	*+ 1·7*	*+ 5·8*	*− 0·8*	*− 0·6*
4	*+ 1·1*	*− 1·5*	*+ 2·1*	*+ 4·2*	*+ 0·6*	*− 0·4*

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1* 100·8†	1977	*1* 103·3†	1978	*1* 104·1†	1979	*1* 104·8†
	2 101·3		*2* 102·5		*2* 105·7		*2* 108·0
	3 101·4		*3* 103·1		*3* 106·3		*3* 106·0
	4 103·1		*4* 103·4		*4* 106·0		*4* 106·5

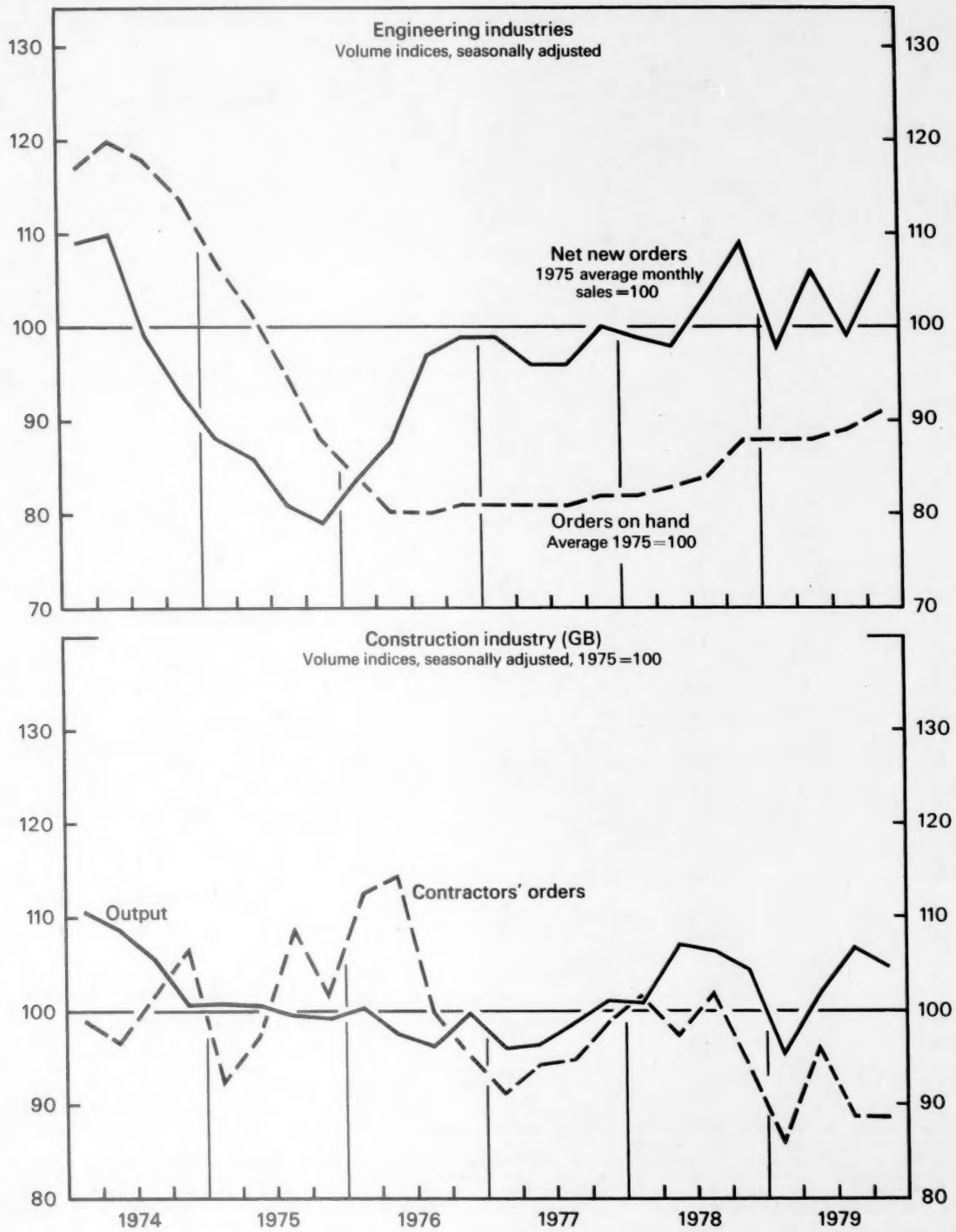

1975=100, seasonally adjusted
Share of output, 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Index of industrial production
Gross domestic product (output based)
116
114
112
110
108
106
104
102
100
98
1974
1975
1976
1977
1978
1979

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	1975=100	1975=100
1969	..	..	..	..	..	..	..	117·4	133·7
1970	..	..	..	..	..	..	..	115·2	131·1
1971	..	..	..	..	..	..	..	116·2	139·2
1972	..	..	..	..	..	..	..	117·4	146·3
1973	99	113	116	120	121	100	105	118·1	141·4
1974	102	114	103	115	102	112	106	106·0	101·1
1975	100	88	84	87	83	90	84	100·0	100·0
1976	97	81	92	74	87	94	104	98·5	105·5
1977	97	82†	98	75	93	98	108†	98·1	94·7
1978[5]	99	88	102	83	100†	98	106	104·8	98·8
1979	100	91	102	86	100	100	108	102·3[5]	89·8[5]
1974 *3*	104	118	99	120	102	115	93	105·4	101·8
4	104	114	93	115	94	112	92	100·3	106·8
1975 *1*	105	107	88	108	89	105†	85	100·7	92·5
2	100	102	86	102	85	102	89†	100·4	97·1
3	98	95	81	94	80	96	84	99·6	108·8
4	97	88	79	87	78†	90	80	99·3	101·6
1976 *1*	96	84	84†	83	83	85	89	100·3	112·6
2	98	80	88	79	87	82	91	97·6	114·5
3	96†	80	97	77†	90	87	113	96·3	99·7
4	97	81	99	74	89	94	123	99·9	95·2
1977 *1*	98	81†	99	74	95	96	107	96·0	91·0
2	96	81	96	73	90	98	112	96·5	94·3
3	97	81	96	73	92	96	105	98·7	94·8
4	96	82	100	75	96	98	109	101·0	98·7
1978[5] *1*	99	82	99	75	95	98	107	100·9	101·6
2	97	83	98	75	96	97	101	107·1	97·5
3	100	84	103	76	99	99	111	106·5	102·0
4	98	88	109	83	112	98	102	104·6	94·2
1979 *1*	97	88	98	82	93	101	110	95·4†	86·0
2	105	88	106	83†	104	97†	110	102·0	96·0
3	97	89	99	84	99	99	99	106·8	88·7
4	102	91	106	86	103	100	112	104·8[5]	88·6[5]
1978[5] *A*	96	82	94	75	94†	97	94†	..	94·1
M	99	83	104†	75	100	97†	112	..	102·5
J	97†	83†	96	75	95	97	98	..	95·9
J	98	83	103	76	100	97	109	..	93·7
A	100	83	97	76	98	95	95	..	108·2
S	102	84	108	76†	98	99	130	..	104·1
O	96	84	97	76	97	98	98	..	103·9
N	98	87	124	81	131	98	107	..	88·3
D	101	88	106	83	108	98	102	..	90·4
1979[5] *J*	85	89	93	83	90	101†	102	..	79·4
F	102	88	99	83	95	100	108		99·5
M	105	88	101	82	93	101	120		79·2
A	102	88	105	82	100	101	115	..	89·6
M	103	88	105	83	107	100	99	..	103·1
J	109	88	108	83	105	99†	114	..	95·3
J	101	88	102	84	105	98	96	..	94·3
A	96	89	98	84	96	98	102	..	91·8
S	94	89	96	84	96	99	99	..	80·1
O	95	90	101	85	96	100	112	..	91·2†
N	107	91	114	86	112	100	118	..	87·0[5]
D	104	91	103	86	102	100	106	..	87·7[5]

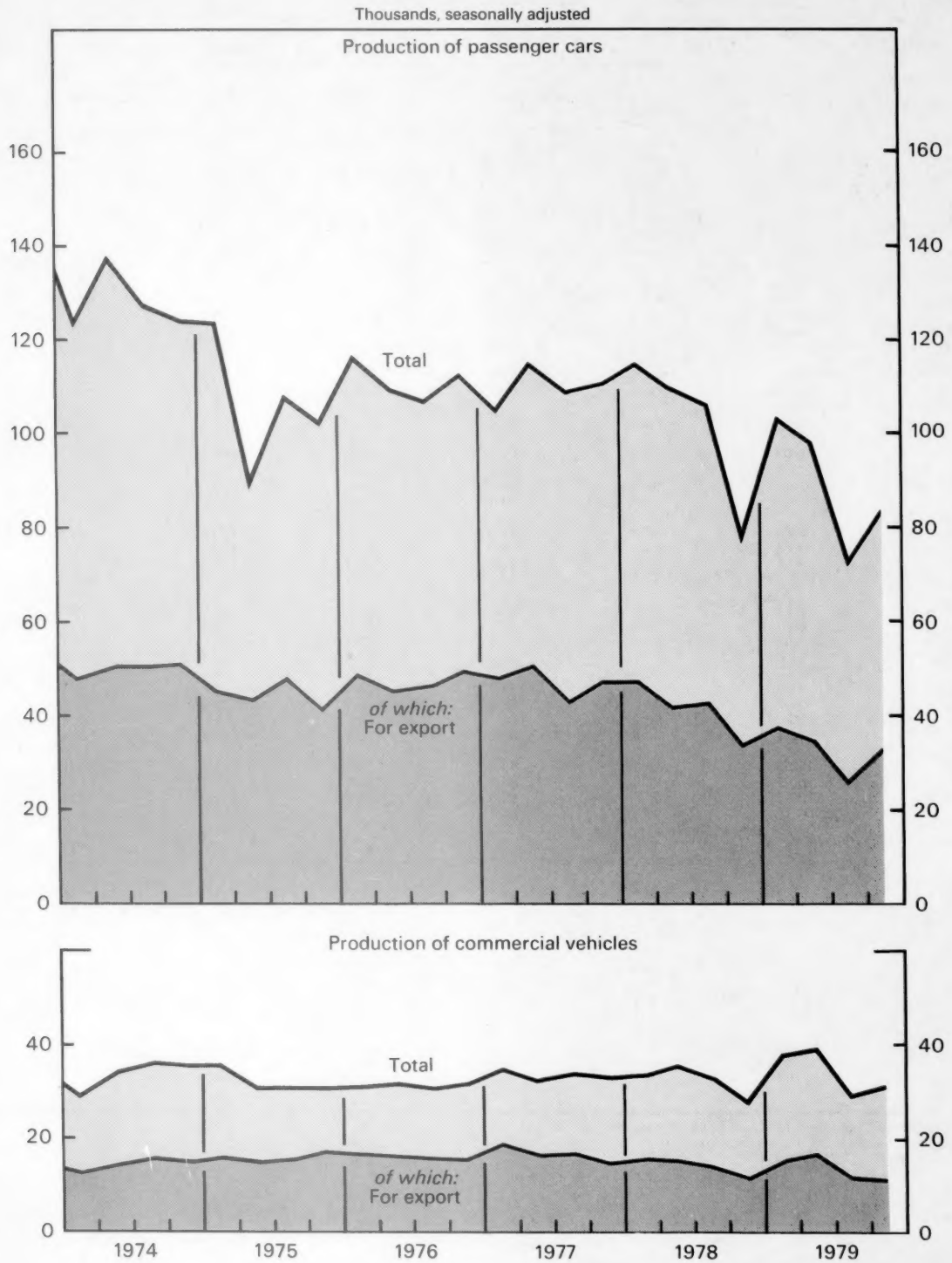
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
130
120
110
100
90
80
70
Net new orders
1975 average monthly sales =100
Orders on hand
Average 1975=100
Construction industry (GB)
Volume indices, seasonally adjusted, 1975=100
Output
Contractors' orders
1974
1975
1976
1977
1978
1979

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1969	143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978	101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,593
1979	89·2	*−12·5*	32·7	34·0	*+ 6·1*	13·5	..	..
1974 *3*	127·1	*−12·3*	50·1	35·7	*− 0·3*	15·6	5,763	4,252
4	124·1	*−14·7*	50·6	35·4	*+ 3·9*	14·9	5,599	4,379
1975 *1*	123·2	*− 0·1*	44·9	35·6	*+22·1*	15·7	6,102	4,267
2	89·3	*−34·8*	43·5	30·5	*−10·1*	14·6	4,661	3,695
3	107·9	*−15·0*	47·8	30·4	*−14·9*	15·2	4,231[5]	3,715[5]
4	102·1	*−17·7*	41·2	30·4	*−14·1*	16·7	4,719	3,769
1976 *1*	116·1	*− 5·8*	48·2	30·6	*−14·2*	16·1	5,480	4,076
2	109·6	*+22·7*	44·9	31·4	*+ 3·1*	16·0	5,731	3,887
3	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3 785
4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977 *1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978 *1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,202
2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,949
3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3 910
4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,522
1979 *1*	102·7	*−10·6*	37·6	37·7	*+13·5*	15·2	4,954	3,662
2	98·1	*−10·4*	34·9	39·0	*+11·4*	16·3	5 721	3,920
3	72·2	*−31·7*	26·0	28·9	*−10·5*	11·7	5,485	3,750[7]
4	83·8	*+ 8·0*	32·4	30·5	*+ 9·9*	11·0	5,200	..
1978 *O*	83·3	*−22·6*	37·0	26·2	*−22·7*	10·8	1,614	..
N	54·8	*−48·6*	26·8	24·4	*−20·4*	11·6	2,072[6]	..
D	94·7	*−18·8*	37·8	32·5	*− 0·6*	12·3	1,559	..
1979 *J*	92·8	*−16·7*	34·8	34·6	*+ 3·8*	12·4	1,598[6]	..
F	104·6	*− 6·7*	39·5	37·9	*+23·2*	15·8	1,634	..
M	110·8	*− 8·6*	38·4	40·5	*+14·3*	17·3	1,722	..
A	101·9	*−12·7*	36·4	41·9	*+16·3*	18·7	1,776	..
M	90·8	*−12·6*	32·7	36·9	*+ 6·8*	15·4	2,148[6]	..
J	101·5	*− 5·6*	35·7	38·1	*+10·9*	15·0	1,797	..
J	99·6	*+ 4·1*	34·1	39·6	*+18·1*	14·5	1,804	..
A	56·9	*−50·4*	23·2	22·9	*−26·8*	10·2	1,871[6]	..
S	60·2	*−43·6*	20·5	24·3	*−24·4*	10·3	1,810	..
O	76·5	*− 8·3*	25·4	26·5	*+ 0·9*	10·1	2,098[6]	..
N	84·6	*+54·3*	36·2	32·4	*+32·5*	11·6	1,644	..
D	90·3	*− 4·6*	35·7	32·6	*+ 0·2*	11·3	1,458	..
1980 *J*	99·7	*+ 7·4*	40·9	39·1	*+12·9*	15·3	..	..
F								
M								

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.
[7] Provisional.


Thousands, seasonally adjusted
Production of passenger cars
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1974
1975
1976
1977
1978
1979

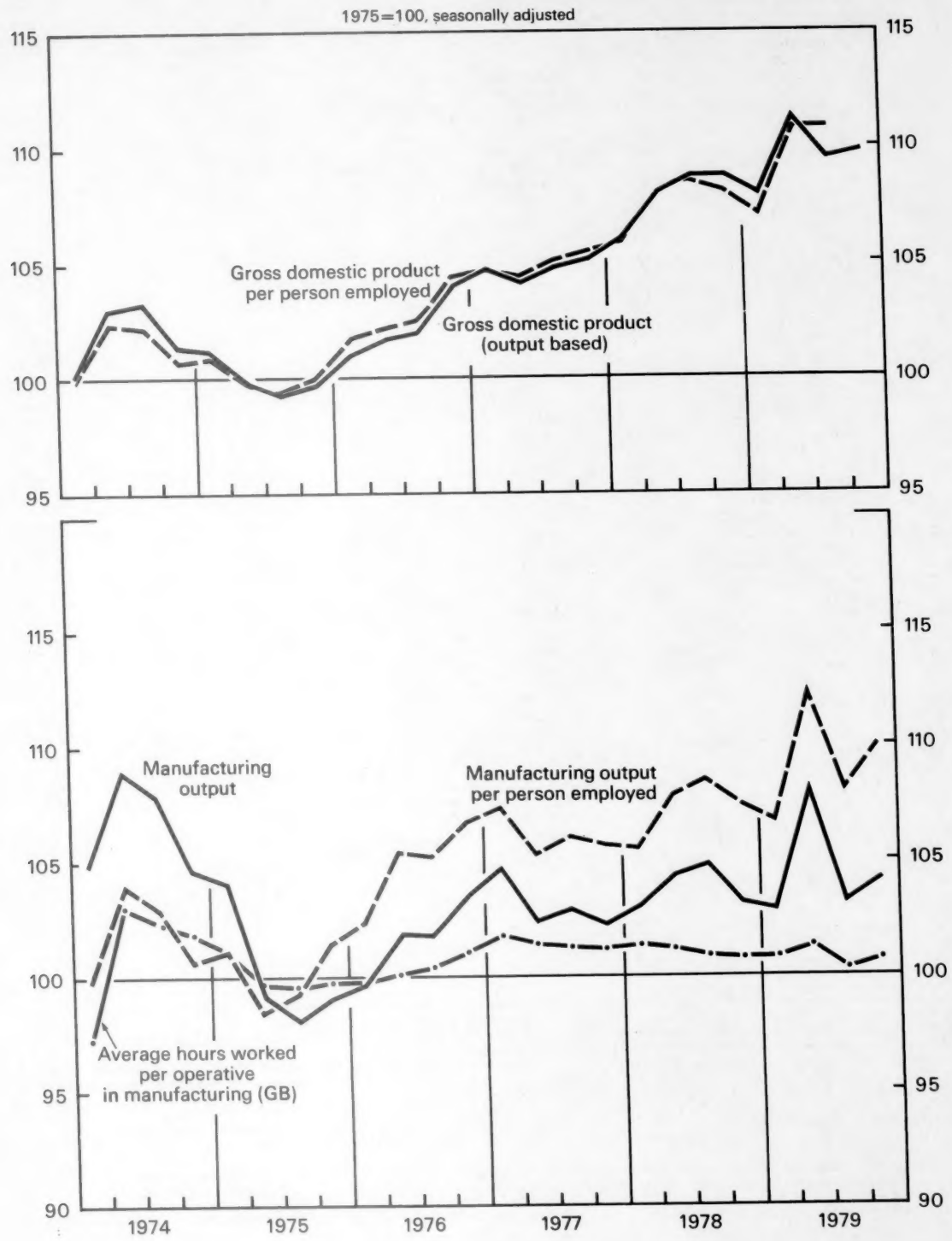
Output per person employed

Seasonally adjusted

1975 = 100

		Employment			Output per person employed[1]		
		Total employed labour force	Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1968		99·8	111·1	109·9	90·4†	87·3†	85·6†
1969		99·7	110·8	111·3	92·3	89·9	87·7
1970		99·4	109·3	111·0	94·2	91·2	88·3
1971		97·6	106·1	107·4	97·2	94·1	90·7
1972		98·3	103·4	103·9	99·6	98·6	96·2
1973		100·4	104·7	104·5	103·3	104·6	103·6
1974		100·7	104·4	104·7	101·3	100·7	101·7
1975		100·0	100·0	100·0	100·0	100·0	100·0
1976		99·5	97·5†	96·9†	102·6	104·8†	104·9
1977[2]		99·7†	97·4	97·2	104·9†	108·8	106·0
1978		100·1	97·0	96·7	107·6	113·3	107·3
1979			96·3	95·4		117·0	109·2
1974	*1*	100·3	104·6	104·8	99·9	98·2	99·8
	2	100·6	104·5	105·0	102·4	102·9	103·8
	3	101·0	104·1	104·9	102·3	102·6	102·9
	4	100·7	104·2	104·1	100·7	99·3	100·6
1975	*1*	100·3	101·9	102·7	100·9	100·7	101·1
	2	100·1	100·4	100·7	99·7	99·0	98·4†
	3	99·9	99·4	98·9	99·4	99·0	99·2
	4	99·7	98·4	97·7	100·0	101·2	101·3
1976	*1*	99·4	97·9	97·0	101·6	102·5†	102·4
	2	99·5	97·5	96·7	102·2	104·5	105·4
	3	99·5	97·3†	96·8†	102·5	104·5	105·2
	4	99·6†	97·4	97·0	104·3†	107·6	106·7
1977	*1*	99·7	97·5	97·1	104·7	108·5	107·3
	2	99·7	97·6	97·3	104·4	108·1	105·2
	3[2]	99·7	97·4	97·3	105·1	109·1†	106·0
	4	99·6	97·1	97·0	105·5	109·4	105·6
1978	*1*	99·8	97·2	97·0	105·9	110·0	105·5
	2	99·9	97·2	96·9	108·0	113·9	107·8
	3	100·1	96·9	96·7	108·5	115·0	108·5
	4	100·4	96·6	96·2	108·1	114·3	107·4
1979	*1*	100·3	96·5	95·9	107·0	113·7	106·6
	2	100·5	96·6	95·8	110·8	119·4	112·3
	3	100·5	96·4	95·5	108·8	117·5	108·0
	4		95·5	94·4		118·0	110·0
		Percentage change, quarter on corresponding quarter of previous year					
1977	*1*	*+0·3*	*−0·4*	*+0·1*	*+3·1*	*+5·9*	*+4·8*
	2	*+0·2†*	*+0·1*	*+0·6*	*+2·2*	*+3·4*	*−0·2*
	3[2]	*+0·2*	*+0·1*	*+0·5*	*+2·5*	*+4·4†*	*+0·8*
	4	*—*	*−0·3*	*—*	*+1·2*	*+1·7*	*−1·0*
1978	*1*	*+0·1*	*−0·3*	*−0·1*	*+1·1*	*+1·4*	*−1·7*
	2	*+0·2*	*−0·4*	*−0·4*	*+3·4*	*+5·4*	*+2·5*
	3	*+0·4*	*−0·5*	*−0·6*	*+3·2*	*+5·4*	*+2·4*
	4	*+0·8*	*−0·5*	*−0·8*	*+2·5*	*+4·5*	*+1·7*
1979	*1*	*+0·5*	*−0·7*	*−1·1*	*+1·0*	*+3·4*	*+1·0*
	2	*+0·6*	*−0·6*	*−1·1*	*+2·6*	*+4·8*	*+4·2*
	3	*+0·4*	*−0·5*	*−1·2*	*+0·3*	*+2·2*	*−0·5*
	4		*−1·1*	*−1·9*		*+3·2*	*+2·4*

[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1977 are provisional.


1975=100, seasonally adjusted
115
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
Manufacturing
output
Manufacturing output
per person employed
Average hours worked
per operative
in manufacturing (GB)
90
1974
1975
1976
1977
1978
1979

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3,4]	Thousands[4,5]	Percentage of employees[6]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[7]	Total unemployed including school leavers
1970	25,344	24,739	22,465	602·0	*2·6*	188·3	111·3	104·5	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·8	102·1	875·6
1973	25,601	24,971	22,663	611·0	*2·6*	307·0	104·5	103·9	618·8
1974	25,653	25,060	22,790	599·7[8]	*2·6*[8]	301·6[8]	105·0	101·1	614·9[8]
1975	25,847	24,935	22,713	929·1	*3·9*	148·1[8]	100·0	100·0	977·6
1976	26,133	24,764	22,542	1,269·3[8]	*5·3*	119·7	96·7	100·3	1,358·8[8]
1977	26,307	24,825	22,612	1,376·8†	*5·7*	155·9[8]†	97·4	101·3	1,483·6
1978	26,345	24,873	22,669	1,376·2	*5·7*	210·5[8]	96·8	101·1	1,475·0
1979				1,303·4	*5·4*	241·4		100·8	1,390·5
1975 *1*	25,762	24,966	22,733	735·2	*3·1*	..[9]	102·2	101·1	788·7
2	25,847	24,935	22,713	858·5	*3·6*	163·0	100·0	99·6	853·8
3	25,975	24,884	22,658	994·6	*4·2*	133·8	98·4	99·5	1,095·5
4	26,034	24,822	22,597	1,128·2	*4·8*	115·5	97·4	99·7	1,172·3
1976 *1*	26,055	24,763	22,540	1,222·7	*5·1*	114·0	96·7	99·7	1,297·5
2	26,133	24,764	22,542	1,269·3	*5·3*	115·7	96·7	100·0	1,294·9
3	26,158	24,769	22,545	1,290·6	*5·4*	126·2	96·8	100·4	1,473·7
4	26,193	24,801	22,581	..[10]	..[10]	..[10]	97·0	101·0	..[10]
1977 *1*	26,221	24,822	22,606	1,331·5†	*5·5*†	..[10]	97·2	101·7	1,417·8
2	26,307	24,825	22,612	1,352·5	*5·6*	153·0†	97·4	101·3	1,394·7
3	26,364	24,832	22,618	1,400·1	*5·8*	154·7	97·2[7]	101·2	1,622·4
4	26,313	24,805	22,595	1,423·1	*5·9*	164·3	96·9	101·1	1,499·4
1978 *1*	26,345	24,861	22,654	1,415·3	*5·9*	185·9	97·0	101·3	1,506·1
2	26,345	24,873	22,669	1,389·6	*5·7*	204·1	96·8	101·1	1,428·2
3	26,357	24,920	22,714	1,365 2	*5·6*	216·7	96·5	100·9	1,570·6
4	26,390	24,996	22,793	1,334·7	*5·5*	235·4	96·1	100·8	1,395·3
1979 *1*	26,397	24,970	22,769	1,355·7	*5·6*	232·4	95·8	100·8	1,436·5
2	26,392	25,024	22,824	1,304·4	*5·4*	252·3	95·7	101·3	1,327·9
3	26,340	25,027	22,822	1,266·8	*5·2*	249·1	95·1	100·2	1,438·0
4				1,286·7	*5·3*	231·8		100·7	1,359·4
1978 *O*	..	..	..	1,347·4†	*5·6*†	232·9†	96·2	100·9	1,429·5
N	..	..	..	1,333·3	*5·5*	235·1	96·1	100·8	1,392·0
D	..	..	..	1,323·5	*5·5*	238·1	96·1	100·8	1,364·3
1979 *J*	..	..	..	1,340·9	*5·5*	236·2	96·0	100·3	1,455·3
F	..	..	..	1,366·0	*5·6*	229·0	95·8	100·9	1,451·9
M	..	..	..	1,360·3	*5·6*	232·0	95·8	101·3	1,402·3
A	..	..	..	1,325·3	*5·5*	243·6	95·8	101·5	1,340·6
M	..	..	..	1,306·1	*5·4*	254·6	95·8	101·0	1,299·3
J	..	..	..	1,281·8	*5·3*	258·8	95·7	101·3	1,343·9
J	..	..	..	1,276·4	*5·3*	252·9	95·7	101·1	1,464·0
A	..	..	..	1,262·0	*5·2*	248·6	95·4	99·9	1,455·5
S	..	..	..	1,261·9	*5·2*	245·9	95·1	99·6	1,394·5
O	..	..	..	1,278·8	*5·3*	238·4	94·6	100·3	1,367·6
N	..	..	..	1,283·7	*5·3*	234·6	94·3	100·9	1,355·2
D	..	..	..	1,297·7	*5·4*	222·3	94·1	100·9	1,355·5
1980 *J*	..	..	..	1,336·7	*5·5*	206·9	93·7	100·6	1,470·6
F	..	..	..	1,383·1	*5·7*	191·4			1,488·9
M	..	..	..						

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From September 1977 the employees in employment figures for the UK are provisional until the publication of the results of the Census of Employment for June 1978. A constant component for Northern Ireland is included from June 1979.

[4] The seasonally adjusted series from January 1977 onwards have been revised as described in the March 1980 *Employment Gazette*.

[5] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

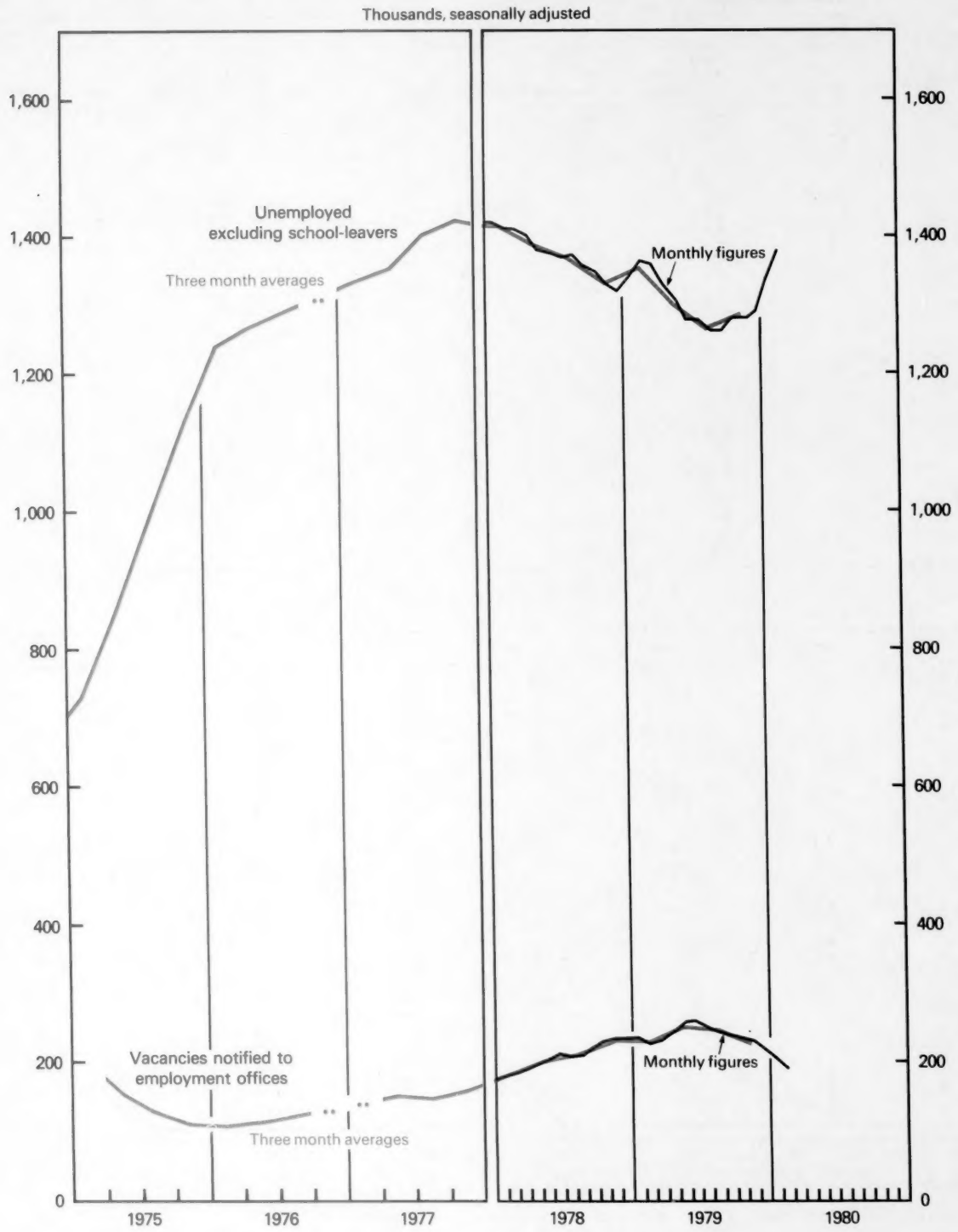
[6] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is the provisional estimate for mid-1979.

[7] Estimates after June 1976 are provisional.

[8] Averages of eleven months' figures.

[9] Figure not available due to industrial action. For further details see note to page 129 of *Department of Employment Gazette*, February 1975.

[10] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.


Thousands, seasonally adjusted
1,600
1,400
1,200
1,000
800
600
400
200
0
Unemployed
excluding school-leavers
Three month averages
Monthly figures
Vacancies notified to
employment offices
Three month averages
Monthly figures
1975
1976
1977
1978
1979
1980

Regional unemployment rates[1]

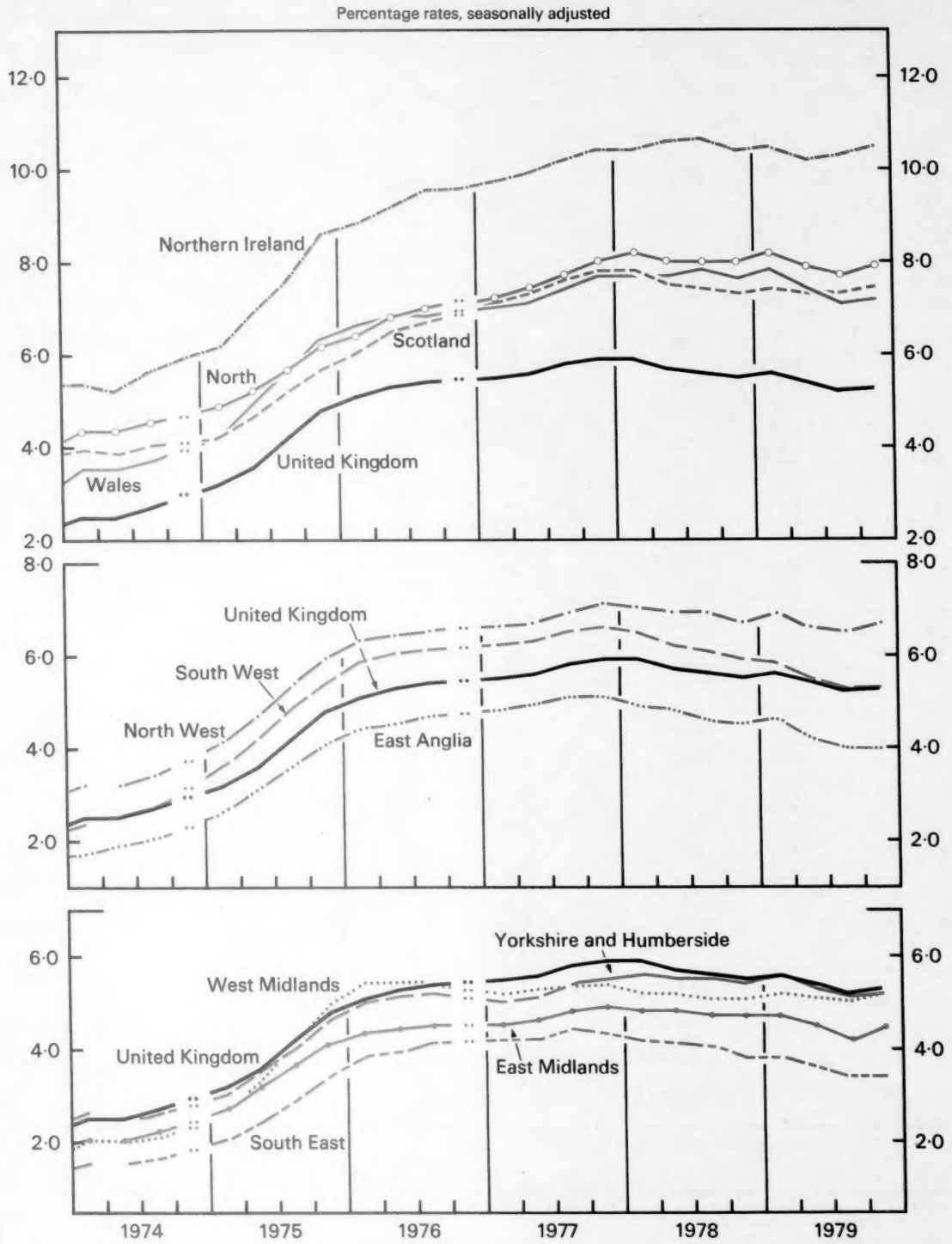
Seasonally adjusted[2]

Per cent

	North[3]	Yorkshire and Humberside[3]	East Midlands[3]	East Anglia	South East[3]	South West[3]	West Midlands
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]
1977 *1*	7·2†	5·0†	4·5†	4·8†	4·2†	6·2†	5·2†
2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·4	4·8	5·1	4·4	6·5	5·4
4	8·0	5·5	4·9	5·1	4·3	6·6	5·4
1978 *1*	8·2	5·6	4·8	4·9	4·2	6·5	5·2
2	8·0	5·5	4·8	4·8	4·1	6·2	5·2
3	8·0	5·5	4·7	4·6	4·0	6·1	5·1
4	8·0	5·4	4·7	4·5	3·8	5·9	5·1
1979 *1*	8·1	5·6	4·7	4·6	3·8	5·8	5·2
2	7·9	5·3	4·5	4·2	3·6	5·5	5·1
3	7·7	5·1	4·2	4·0	3·4	5·3	5·0
4	7·9	5·2	4·5	4·0	3·4	5·2	5·2

	North West[3]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[4]	..[4]	..[4]	..[4]	5·9	..[4]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	..[5]	..[5]	..[5]	..[5]	9·6	..[5]
1977 *1*	6·6†	7·0†	7·1†	5·4†	9·7†	5·5†
2	6·7	7·1	7·3	5·5	9·9	5·6
3	6·9	7·4	7·6	5·7	10·2	5·8
4	7·1	7·7	7·8	5·8	10·4	5·9
1978 *1*	7·0	7·7	7·8	5·7	10·4	5·9
2	6·9	7·7	7·6	5·6	10·6	5·7
3	6·9	7·8	7·4	5·5	10·7	5·6
4	6·7	7·6	7·3	5·4	10·4	5·5
1979 *1*	6·9	7·8	7·4	5·5	10·5	5·6
2	6·6	7·4	7·3	5·3	10·2	5·4
3	6·5	7·1	7·3	5·1	10·3	5·2
4	6·7	7·2	7·5	5·2	10·5	5·3

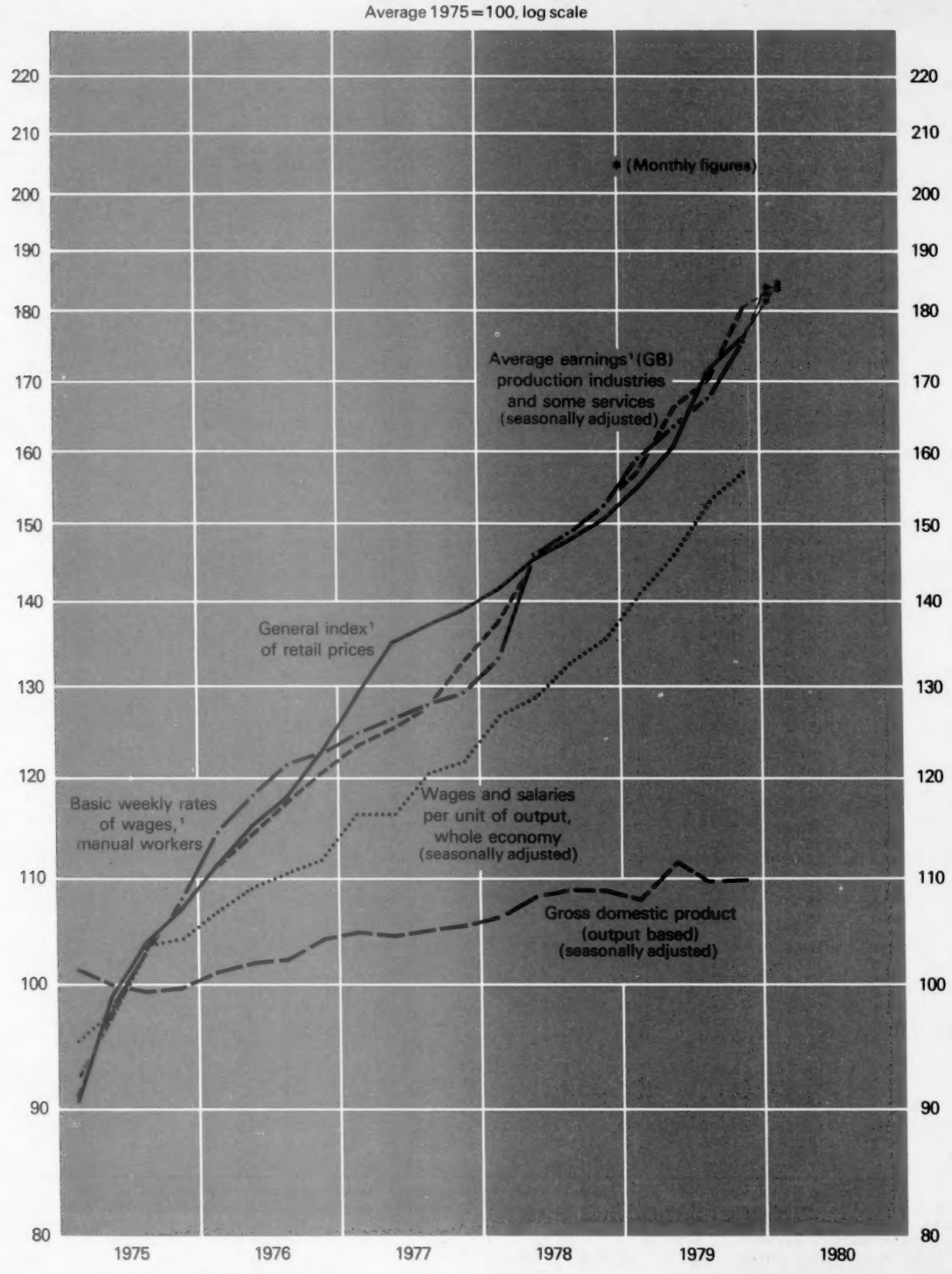
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figures available are the provisional estimates for mid-1979.
[2] The seasonally adjusted series from January 1977 onwards have been revised as described in the March 1980 issue of *Employment Gazette*.
[3] The boundaries of the standard regions were revised in April 1974.
[4] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[5] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
Scotland
North
United Kingdom
Wales
United Kingdom
South West
North West
East Anglia
Yorkshire and Humberside
West Midlands
United Kingdom
East Midlands
South East
1974
1975
1976
1977
1978
1979

Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	45·5†	46·3
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·9	52·0
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	54·7	56·9
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	59·6	59·3
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	63·9	62·6
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	78·5	77·3
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·8	*15·6*	260·7	*16·5*	109·3	113·8
1977	227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·4	125·7
1978	259·3	258·8	130·6	*13·0*	330·2	*14·5*	329·6	*14·6*	130·8	142·1
1979	297·8	297·5	150·9[5]	*15·5*[5]	381·7[5]	*15·6*[5]	380·9[5]	*15·6*[5]	149·4[6]	
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	95·1	91·8
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·6	98·2
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·3†	103·5
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	104·0	106·6
1976 *1*	204·2	201·5	101·0	..	250·7	*19·7*	248·9	*20·0*	106·4	110·1
2	211·5	209·0	105·2	..	258·1	*17·2*	257·6	*18·8*	109·1	111·8
3	217·8	212·5	107·9	..	265·9	*13·6*	265·1	*14·9*	110·4	115·9
4	219·3	213·1	110·1	..	272·7	*12·3*	271·3	*12·8*	111·4	117·5
1977 *1*	223·3	215·7	111·8	*10·7*	280·2	*11·8*	278·6	*11·9*	115·9	120·3
2	225·9	217·9	114·5	*8·8*	284·4	*10·2*	283·2	*9·9*	115·9	124·1
3	228·7	220·2	116·4	*7·9*	289·1	*8·7*	288·2	*8·7*	120·3	126·6
4	231·2	221·7	119·9	*8·9*	300·3	*10·1*	300·3	*10·7*	121·7	131·7
1978 *1*	237·8	226·1	123·1	*10·1*	310·9	*11·0*	311·6	*11·8*	126·9	136·4
2	260·6	263·9	129·9	*13·5*	327·8	*15·3*	326·9	*15·5*	128·7	139·9
3	265·8	267·9	133·2	*14·4*	335·7	*16·1*	334·5	*16·1*	132·3	142·7
4	273·0	277·5	136·4	*13·8*	346·4	*15·3*	345·4	*15·0*	135·2	149·5†
1979 *1*	284·9	284·5	140·1	*13·9*	356·5	*14·7*	357·3	*14·7*	141·0	153·6
2	292·2	291·3	147·3	*13·4*	376·0	*14·7*	377·2	*15·4*	146·1	155·0
3	299·8	296·3	154·2[5]	*15·8*[5]	385·5[5]	*14·9*[5]	380·9[5]	*13·9*[5]	153·0	162·9
4	314·3	317·8	161·8	*18·6*	408·9	*18·1*	408·2	*18·2*	157·2[6]	
1978 *O*	270·8	276·6	135·2	*14·7*	344·5	*16·5*	343·3	*16·5*	..	146·8†
N	273·0	277·9	136·1	*13·3*	344·5	*14·4*	343·2	*13·8*	..	148·3
D	275·1	278·0	138·0	*13·3*	350·1	*15·1*	349·7	*14·8*	..	153·4
1979 *J*	283·0	283·7	135·7	*11·7*	344·7	*12·4*	345·5	*12·2*	..	154·3
F	285·2	284·7	141·1	*15·0*	355·6	*14·1*	357·3	*14·6*	..	155·1
M	286·4	285·1	143·7	*14·9*	369·3	*17·4*	369·0	*17·2*	..	151·5
A	289·2	288·6	144·3	*13·5*	368·1	*13·6*	368·0	*13·2*	..	153·1
M	291·2	291·2	146·9	*13·5*	373·2	*14·4*	375·3	*15·5*	..	154·8
J	296·2	294·0	150·9	*13·4*	386·6	*16·1*	388·2	*17·4*	..	157·0
J	298·7	294·6	155·6	*16·5*	387·8	*16·4*	386·8	*16·5*	..	159·8
A	300·2†	296·7	153·3[5]	*16·4*[5]	384·8[5]	*15·0*[5]	378·3[5]	*13·4*[5]	..	162·7
S	300·8	297·7	153·6[5]	*14·4*[5]	384·1[5]	*13·2*[5]	377·6[5]	*11·7*[5]	..	166·1
O	303·1	298·4†	158·1	*17·0*	401·3	*16·5*	399·2	*16·3*	..	167·6
N	319·4	327·3	162·1	*19·1*	408·2	*18·5*	408·4	*19·0*	..	171·1
D	320·9	328·5	165·1	*19·7*	417·2	*19·2*	416·9	*19·2*	..	
1980 *J*	327·2	332·7	162·6[6,7]	*19·9*[6,7]	415·2[6,7]	*20·5*[6,7]	409·9[6,7]	*18·6*[6,7]	..	
F	328·8	332·7							..	
M									..	

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] These figures are affected by the industrial dispute in the engineering industries.
[5] Because of the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for 'all manufacturing' and 'all industries and services covered'.
[6] Provisional.



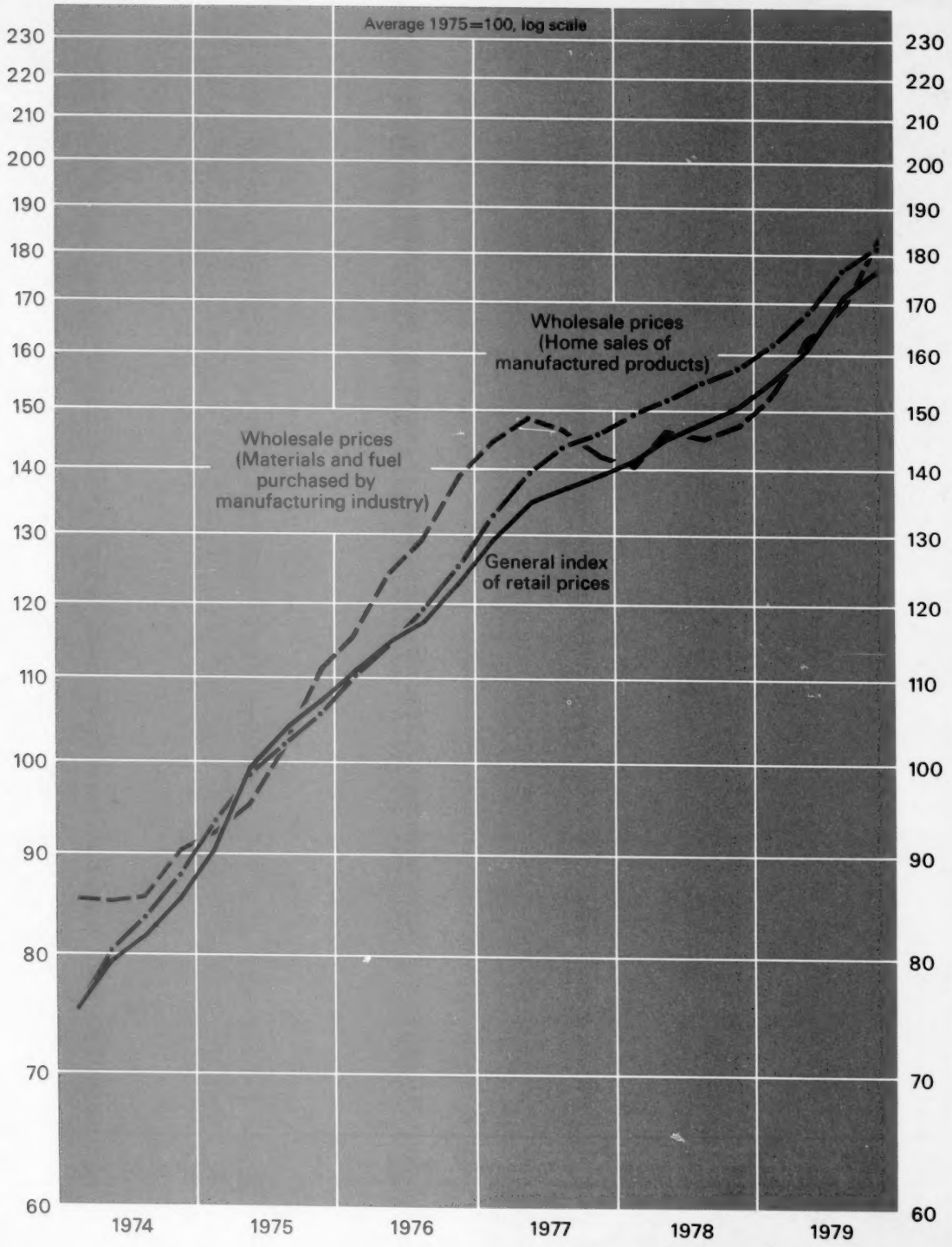
[1] Quarterly average of monthly figures.

Prices

Unadjusted

	Average 1975=100										Average 1975=100 p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979	167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	168·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·9†	181·8†	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1978 *O*	145·7	156·6	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·3	157·1	150·2	*8·1*	156·0	148·6	150·9	*8·3*	..	..	67
D	148·3	158·3	151·5	*8·4*	157·9	149·6	151·8	*8·5*	..	..	66
1979 *J*	151·8†	160·0	153·7	*9·3*	163·2	151·0	153·4	*9·0*	..	..	65
F	153·3	161·7	155·0	*9·6*	164·1	152·4	154·8	*9·3*	..	..	65
M	155·2	163·2	156·2	*9·8*	165·2	153·7	155·9	*9·5*	..	..	64
A	160·6	165·5	158·9	*10·1*	166·2	156·8	158·4	*9·7*	..	..	63
M	162·8	167·7	160·2	*10·3*	168·0	157·9	159·8	*10·1*	..	..	62
J	166·6	170·9	162·9	*11·4*	172·5	160·2	162·4	*11·3*	..	..	61
J	168·1	174·8	170·0	*15·6*	173·4	169·0	170·3	*15·8*	..	..	59
A	169·1	176·3	171·3	*15·8*	173·9	170·4	171·8	*15·8*	..	..	58
S	172·5	178·2	173·0	*16·5*	174·5	172·5	173·6	*16·5*	..	..	58
O	178·1	180·3	174·8	*17·2*	176·1	174·4	175·4	*17·1*	..	..	57
N	186·0	181·6	176·3	*17·4*	177·8	175·9	176·8	*17·2*	..	..	57
D	187·5†	183·4†	177·6	*17·2*	180·0	176·9	178·0	*17·3*	..	..	56
1980 *J*	193·4[5]	188·5[5]	182·0	*18·4*	183·6	181·4	182·2	*18·8*	..	..	55
F	197·2[5]	191·1[5]	184·6	*19·1*	185·1	184·3	184·9	*19·5*	..	..	54
M									..	..	

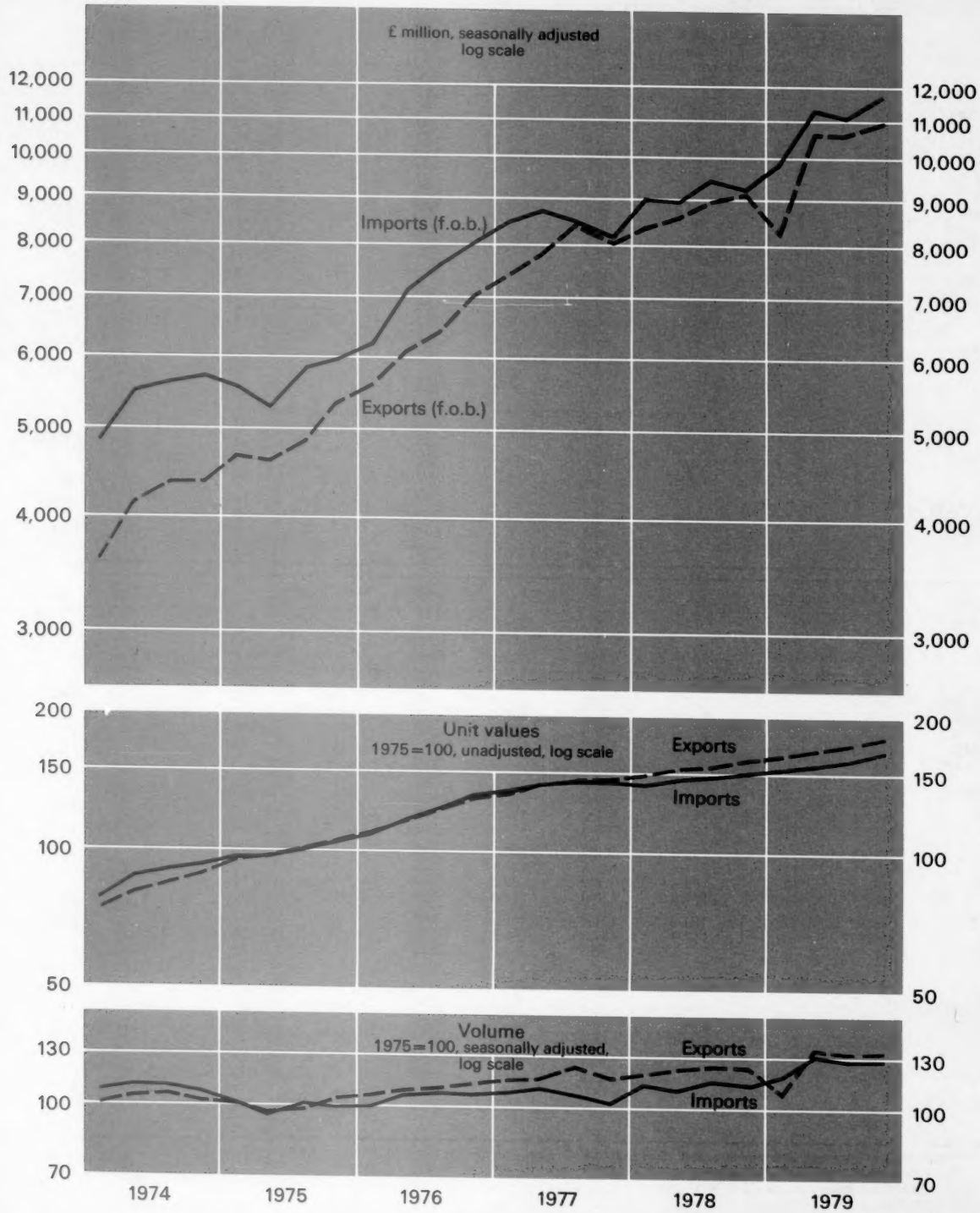
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
230
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
Wholesale prices
(Home sales of
manufactured products)
Wholesale prices
(Materials and fuel
purchased by
manufacturing industry)
General index
of retail prices
1974
1975
1976
1977
1978
1979

Visible trade

	Seasonally adjusted		Unadjusted			
	1975=100		1975=100			1975=100
	Volume indices[1]		Unit value indices[1]			
	Exports	Imports	Exports	Imports	Terms of trade[2]	World commodity prices index[3]
1969	77·8†	77·1†	47·6†	41·1†	115·9†	30
1970	81·1	81·8	50·8	42·8	118·8	31
1971	85·9	85·5	53·7	44·8	119·8	33
1972	85·6	95·2	56·8	46·9	121·1	36
1973	97·2	108·4	64·0	60·0	106·8	54
1974	104·2	109·5	81·6	87·7	93·1	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	109·9	105·9	119·6	122·1	98·0	130
1977	118·4	107·9	141·5	141·4	100·1	149
1978	121·5	112·6	155·1	147·0	105·5	138
1979	125·9	125·7	171·9	162·3	105·9	
1974 *3*	107·4†	110·6†	84·1†	90·7†	92·7†	99
4	102·3	108·2	88·1	93·2	94·5	101
1975 *1*	100·9	102·1	95·2	96·5	98·7	95
2	97·1	95·7	97·5	97·1	100·4	94
3	98·0	102·4	101·6	100·8	100·8	102
4	104·0	99·8	105·7	105·6	100·1	111
1976 *1*	106·4	100·4	109·6	110·3	99·3	115
2	109·8	106·6	115·8	118·9	97·4	129
3	110·2	108·8	122·8	124·9	98·3	135
4	113·1	107·6	130·3	134·2	97·1	145
1977 *1*	115·4	109·5	134·9	137·1	98·4	152
2	117·2	111·2	140·6	140·8	99·8	155
3	124·1	107·9	144·3	143·5	100·6	149
4	116·9	102·9	146·4	143·9	101·7	142
1978 *1*	120·1	113·6	149·2	142·1	105·0	136
2	121·0	109·1	153·3	146·7	104·5	143
3	122·5	115·0	157·2	148·3	106·1	138
4	122·5	112·9	160·7	151·0	106·5	138
1979 *1*	109·0	116·9	165·8	154·9	107·0	141
2	135·3	128·9	169·1	158·9	106·4	155
3	129·8	128·1	173·6	162·6	106·8	162[4]
4	129·3	128·9	179·1	172·8	103·7	185†
1978 *O*	122·7	110·3	159·4	150·5	105·9	136
N	121·1	114·7	161·1	150·6	106·9	138
D	123·6	113·6	161·7	151·8	106·5	137
1979 *J*	109·6†	105·8†	163·3	152·7†	106·9†	141
F	99·8	116·9	166·6†	154·3	107·9	143
M	117·7	128·0	167·5	157·6	106·3	142
A	138·7	130·9	168·6	156·6	107·6	150
M	135·2	129·1	168·5	158·6	106·2	154
J	131·9	126·6	170·3	161·5	105·5	161
J	131·6	126·9	173·0	160·0	108·1	161
A	128·6	129·8	173·2	162·3	106·7	162
S	129·3	127·5	174·5	165·5	105·5	166†
O	124·7	129·7	177·2	169·8	104·4	174[4]
N	131·8	125·8	179·6	172·5	104·1	190†
D	131·3	131·2	180·5	176·0	102·6	191[4]
1980 *J*	129·9†	128·3†	185·2†	183·6†	100·9†	195[5]
F	136·8	129·1	187·3	186·2	100·6	
M						

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.


£ million, seasonally adjusted
log scale
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
Imports (f.o.b.)
Exports (f.o.b.)
Unit values
1975=100, unadjusted, log scale
200
150
100
50
Exports
Imports
Volume
1975=100, seasonally adjusted,
log scale
130
100
70
Exports
Imports
1974
1975
1976
1977
1978
1979

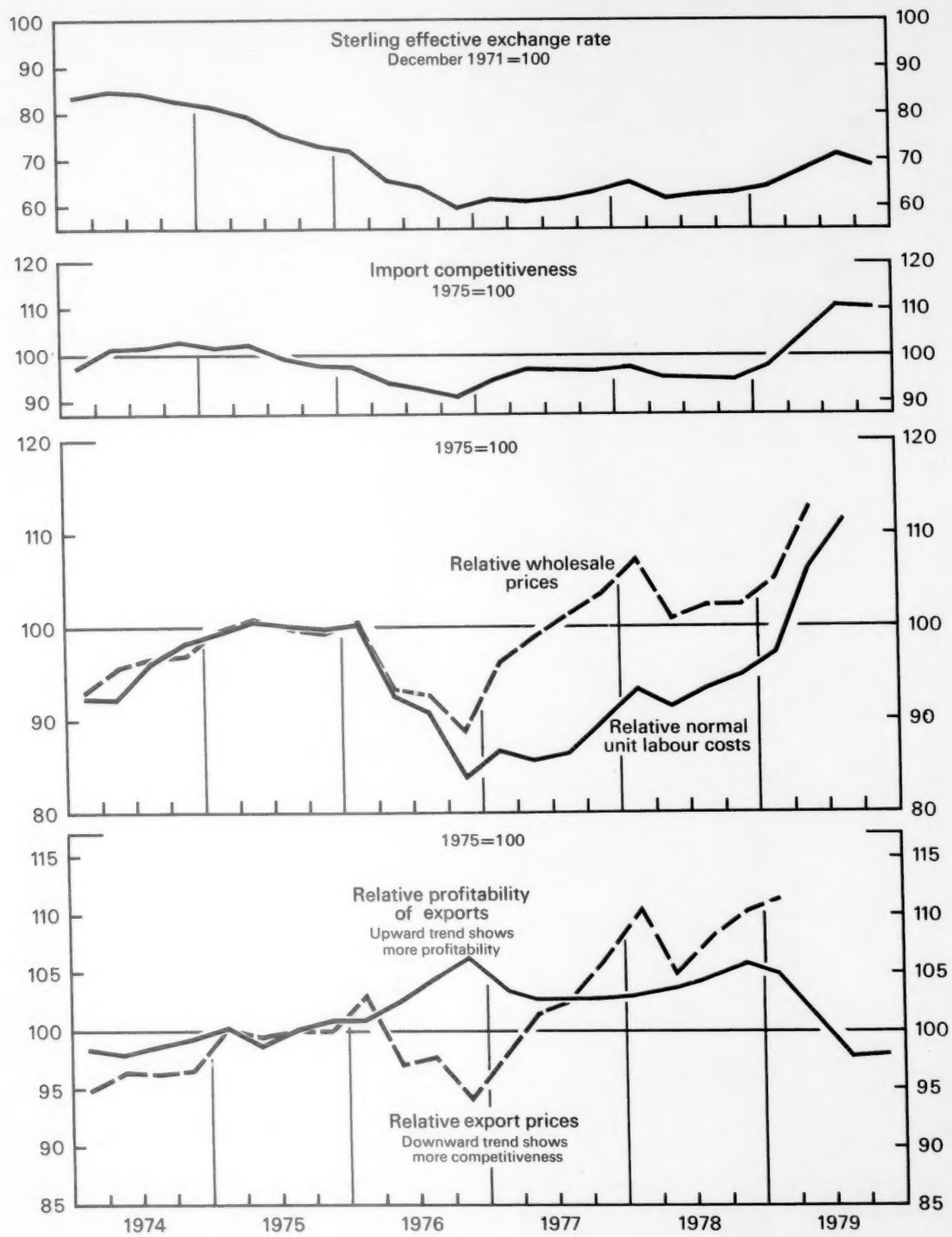
Measures of UK trade competitiveness

1975 =100

	Summary measures[1]					Export unit value index for manufactures[3]				
	Relative export prices[2]	Relative wholesale prices[2]	Relative normal unit labour costs[2]	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1974	95·9	95·6	94·9	100·4	98·4	85·5	86	101	82	88
1975	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976	97·1	93·8	91·9	93·7	102·5	97·4	107	99	98	102
1977	102·1	99·9	87·2	96·3	102·9	112·0	112	108	105	110
1978	108·4†	103·1	93·5	95·9	104·4	136·6	121	131	121	131
1979				105·9	100·4	164·8				
1977 *1*	97·6	96·1	86·8	94·4	103·3	104·8	110	110	102	109
2	101·4	98·9	85·8	96·9	102·7	109·2	111	107	103	110
3	102·8	101·0	86·4	96·8	102·8	113.2	113	110	107	112
4	106·6	103·6	89·8	97·2	102·9	120·7	116	115	109	117
1978 *1*	110·7	107·1	93·8	97·8	103·1	131·5	117	118	113	125
2	104·8	100·8	91·5	95·7	103·8	128·5	118	134	118	125
3	108·1	102·2	93·6	95·3	104·7	139·1	121	142	126	131
4	110·2	102·3	95·0	94·9	105·9	147·2	126	143	128	140
1979 *1*	111·4[4]	105·1	97·4	97·4	104·9	152·7		143	132	143
2		112·6	106·6	104·4	101·2	158·9		141	133	140
3			111·6	111·0†	97·7	173·8				148
4				110·8	97·9	174·0				
	Percentage change, quarter on corresponding quarter of previous year.									
1978 *1*	*+13·4*	*+11·4*	*+ 8·1*	*+ 3·6*	*− 0·2*	*+25·5*	*+6*	*+ 7*	*+11*	*+15*
2	*+ 3·4*	*+ 1·9*	*+ 6·6*	*− 1·2*	*+ 1·1*	*+17·7*	*+6*	*+25*	*+15*	*+14*
3	*+ 5·2*	*+ 1·2*	*+ 8·3*	*− 1·5*	*+ 1·8*	*+22·9*	*+7*	*+29*	*+18*	*+17*
4	*+ 3·4*	*− 1·3*	*+ 5·8*	*− 2·4*	*+ 2·9*	*+22·0*	*+9*	*+24*	*+17*	*+20*
1979 *1*	*+ 0·6*	*− 1·9*	*+ 3·8*	*− 0·4*	*+ 1·7*	*+16·1*		*+21*	*+17*	*+14*
2		*+11·7*	*+16·5*	*+ 9·1*	*− 2·5*	*+23·7*		*+ 5*	*+13*	*+12*
3			*+19·2*	*+16·5*	*− 6·7*	*+24·9*				*+13*
4				*+16·8*	*− 7·6*	*+18·2*				

	Wholesale price index[3]					Unit labour costs index[3]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1974	86·5	90·1	100·2	80·1	90·6	81	89	83	74	89
1975	100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976	95·3	104·6	104·9	96·5	101·4	92	101	100	94	96
1977	110·8	111·2	117·8	100·6	112·8	99	108	115	100	108
1978	132·8	119·4	148·5	119·8	132·2	123	115	144	117	129
1979	164·8						123			
1977 *1*	102·9	108·4	110·6	96·1	108·8	93	106	106	94	102
2	108·3	111·0	114·8	99·0	111·1	96	107	112	98	106
3	112·6	111·9	118·5	102·0	113·6	99	108	117	102	109
4	119·4	113·3	127·1	105·3	117·9	108	110	126	106	115
1978 *1*	129·8	115·5	131·5	108·7	126·9	118	114	129	108	123
2	125·7	118·3	141·5	115·5	127·5	116	114	137	112	126
3	135·0	120·5	159·9	124·9	132·3	124	114	155	123	129
4	140·9	123·3	161·0	130·0	142·2	134	116	156	125	138
1979 *1*	147·0	127·1	154·8	133·9	146·3	139	120	147	130	143
2	157·7	131·3	147·8	134·3	145·9	142	122	136	128[4]	136
3	177·7					163	123	134	129[4]†	144
4	177·0						126			
	Percentage change, quarter on corresponding quarter of previous year.									
1978 *1*	*+26·1*	*+ 6·5*	*+18·9*	*+13·1*	*+16·6*	*+27*	*+8*	*+22*	*+15*	*+21*
2	*+16·1*	*+ 6·6*	*+23·3*	*+16·7*	*+14·8*	*+21*	*+7*	*+22*	*+14*	*+19*
3	*+19·9*	*+ 7·7*	*+34·9*	*+22·5*	*+16·5*	*+25*	*+6*	*+32*	*+21*	*+18*
4	*+18·0*	*+ 8·8*	*+26·7*	*+23·5*	*+20·6*	*+24*	*+5*	*+24*	*+18*	*+20*
1979 *1*	*+13·3*	*+10·0*	*+17·7*	*+23·2*	*+15·3*	*+18*	*+5*	*+14*	*+20*	*+16*
2	*+25·5*	*+11·0*	*+ 4·5*	*+16·3*	*+14·4*	*+22*	*+7*	*− 1*	*+14*	*+ 8*
3	*+31·6*					*+31*	*+8*	*−14*	*+ 5†*	*+12*
4	*+25·6*						*+9*			

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979.
[2] Downward movements indicate greater competitiveness.
[3] All the indices are in terms of US dollars.
[4] Provisional.


Sterling effective exchange rate
December 1971=100
100
90
80
70
60
Import competitiveness
1975=100
120
110
100
90
1975=100
Relative wholesale prices
Relative normal unit labour costs
1975=100
Relative profitability of exports
Upward trend shows more profitability
Relative export prices
Downward trend shows more competitiveness
115
105
95
85
1974
1975
1976
1977
1978
1979

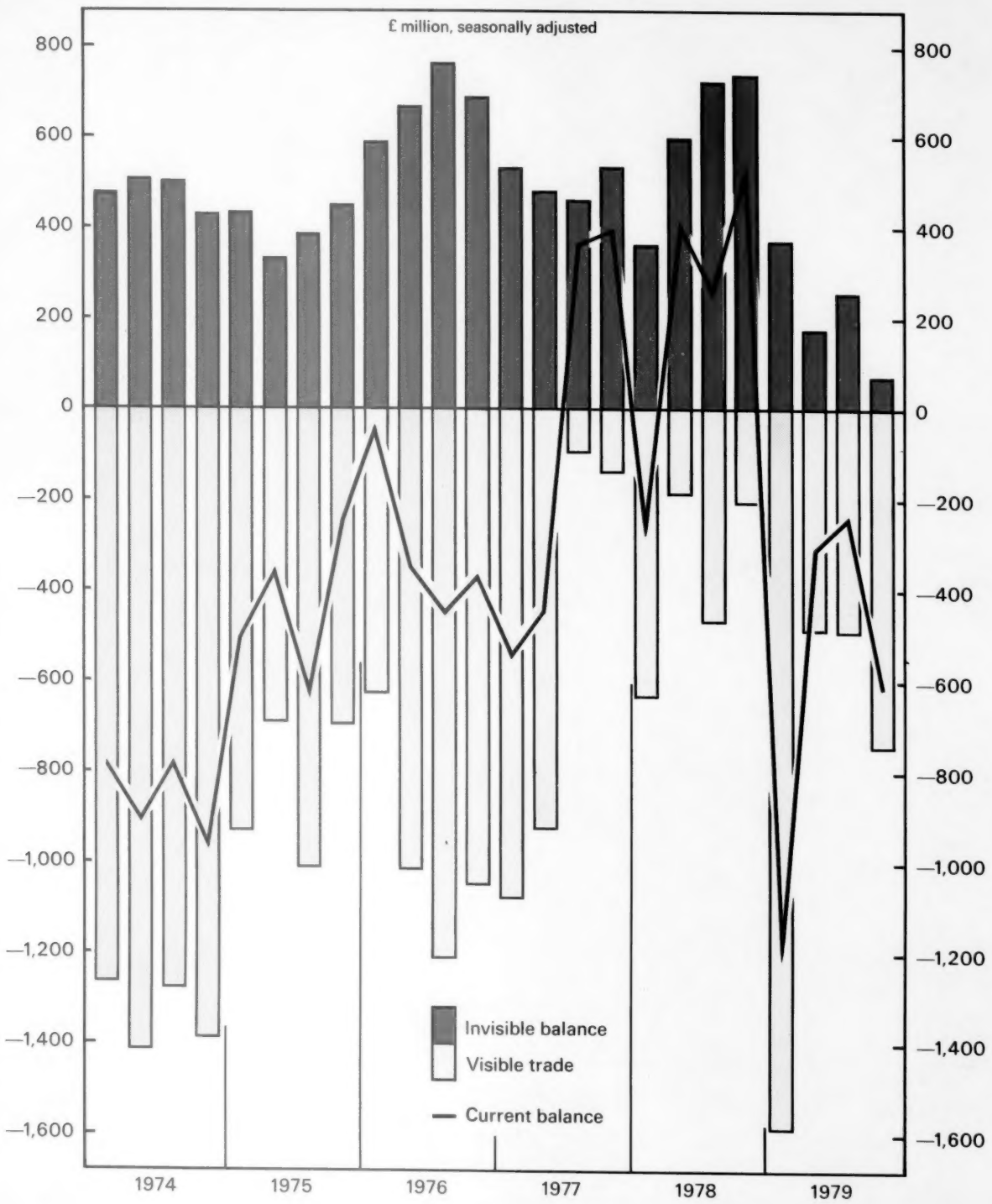
Balance of payments: current account

Seasonally adjusted

£ million

	Visible trade			Invisibles						
						Balance				
	Exports (f.o.b.) §	Imports (f.o.b.) §	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1969	7,269	7,478	−209	4,387	3,706	+681	+402	+500	−221	+472
1970	8,151	8,183	−32	5,078	4,264†	+814†	+449†	+559	−194	+782†
1971	9,043	8,853	+190	5,640	4,757	+883	+584	+510	−211	+1,073
1972	9,423	10,184	−761	6,221	5,298	+923	+648	+538	−263	+162
1973	11,937	14,523	−2,586	8,386	6,888	+1,498	+696	+1,260	−458	−1,088
1974	16,395	21,745	−5,350	10,331†	8,408	+1,928	+941	+1,423	−441	−3,427
1975	19,330	22,663	−3,333	11,239	9,638	+1,601	+1,349	+762	−510	−1,732
1976	25,193	29,104	−3,911	14,638	11,929	+2,709	+2,207	+1,299	−797	−1,202
1977	31,734	33,973	−2,239	16,416	14,401	+2,015	+2,960	+201	−1,146†	−224
1978	35,071	36,564	−1,493	18,617	16,192	+2,425	+3,275	+1,061†	−1,911	+932
1979	40,689	44,001	−3,312	21,012	20,262	+875	+3,070	+207	−2,402	−2,437
1974 *1*	3,594	4,857	−1,263	2,529†	2,051†	+478†	+178†	+408	−108†	−785†
2	4,099	5,517	−1,418	2,573	2,062	+511	+226	+389	−104	−907
3	4,360	5,640	−1,280	2,567	2,064	+503	+286	+316	− 99	−777
4	4,342	5,731	−1,389	2,662	2,231	+431	+251	+310	−130	−958
1975 *1*	4,660	5,591	−931	2,743	2,309	+434	+321	+187	− 74	−497
2	4,577	5,269	−692	2,717	2,383	+334	+340	+147	−153	−358
3	4,819	5,832	−1,013	2,792	2,408	+384	+326	+181	−123	−629
4	5,274	5,971	−697	2,987	2,538	+449	+362	+247	−160	−248
1976 *1*	5,608	6,237	−629	3,297	2,706	+591	+518	+266	−193	− 38
2	6,105	7,121	−1,016	3,537	2,870	+667	+514	+332	−179	−349
3	6,447	7,662	−1,215	3,807	3,044	+763	+603	+357	−197	−452
4	7,033	8,084	−1,051	3,997	3,309	+688	+572	+344	−228	−363
1977 *1*	7,428	8,508	−1,080	3,981	3,447	+534	+671	+106	−243	−546
2	7,827	8,750	−923	4,061	3,580	+481	+765	+ 1	−285	−442
3	8,423	8,520	− 97	4,171	3,708	+463	+759	+ 37	−333	+366
4	8,056	8,195	−139	4,203	3,666	+537	+765	+ 57	−285	+398
1978 *1*	8,390	9,023	−633	4,324	3,961	+363	+736	+167†	−540	−270
2	8,676	8,862	−186	4,548	3,950	+598	+713	+321	−436	+412
3	8,933	9,401	−468	4,821	4,097	+724	+893	+341	−510	+256
4	9,072	9,278	−206	4,924	4,184	+740	+933	+232	−425	+534
1979 *1*	8,373	9,961	−1,588	4,878	4,505	+373	+674	+211	−512	−1,215
2	10,658	11,144	−486	5,116	4,940	+176	+732	+ 17	−573	−310
3	10,641	11,134	−493	5,451	5,195	+255	+852	+ 57	−654	−238
4	11,017	11,762	−745	5,567	5,622	+ 71	+812	− 78	−663	−674
1978 *O*	3,013	3,015	− 2	..	..	+247[1]†	..	..	..	+245†
N	2,980	3,155	−175	..	..	+246[1]	..	..	..	+ 71
D	3,079	3,108	− 29	..	..	+247[1]	..	..	..	+218
1979 *J*	2,740	2,926	−186	..	..	+124[1]	..	..	..	− 62
F	2,577	3,323	−746	..	..	+125[1]	..	..	..	−621
M	3,056	3,712	−656	..	..	+124[1]	..	..	..	−532
A	3,609	3,754	−145	..	..	+ 59[1]	..	..	..	− 86
M	3,535	3,718	−183	..	..	+ 58[1]	..	..	..	−125
J	3,514	3,672	−158	..	..	+ 59[1]	..	..	..	− 99
J	3,575	3,631	− 56	..	..	+ 85[1]	..	..	..	+ 29
A	3,517	3,743	−226	..	..	+ 85[1]	..	..	..	−141
S	3,549	3,760	−211	..	..	+ 85[1]	..	..	..	−126
O	3,484	3,902	−418	..	..	+ 24[1]	..	..	..	−394
N	3,760	3,835	− 75	..	..	+ 23[1]	..	..	..	− 52
D	3,773	4,025	−252	..	..	+ 24[1]	..	..	..	−228
1980 *J*	3,879	4,200	−321	..	..	+ 50[2]	..	..	..	−271
F	4,133	4,359	−226			+ 50[2]				−176
M										

[1] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.
[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.

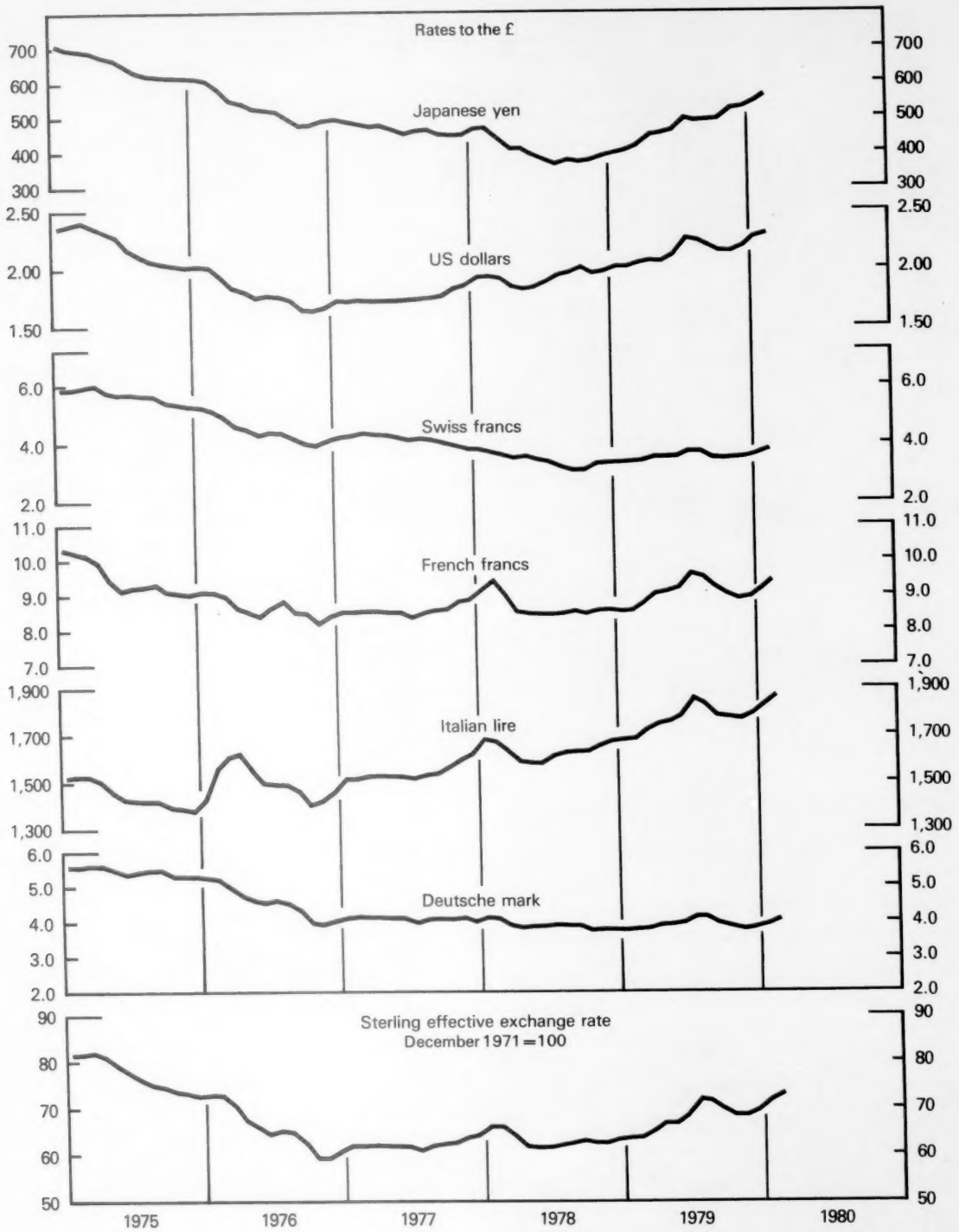

£ million, seasonally adjusted
800
600
400
200
0
—200
—400
—600
—800
—1,000
—1,200
—1,400
—1,600
Invisible balance
Visible trade
Current balance
1974
1975
1976
1977
1978
1979

Sterling exchange rates and UK official reserves

	Sterling exchange rate against major currencies[1]						$ million	Dec 1971 =100
	Japanese yen	US dollars	Swiss francs	French francs	Italian lire	Deutsche-marks	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1969	..	2·390	10·308	12·43	1,499	9·379	2,528	99·9
1970	857·8	2·396	10·327	13·24	1,502	8·736	2,827	98·9
1971	844·6	2·444	10·069	13·46	1,511	8·530	6,582	98·8
1972	752·3	2·502	9·554	12·62	1,460	7·975	5,646	95·2
1973	664·6	2·453	7·758	10·90	1,426	6·540	6,476	86·3
1974	682·7	2·340	6·965	11·25	1,522	6·049	6,789	83·6
1975	658·1	2·220	5·723	9·50	1,447	5·447	5,429	77·2
1976	535·4	1·805	4·521	8·61	1,497	4·552	4,129	65·4
1977	467·7	1·746	4·189	8·57	1,540	4·050	20,557	62·1
1978	402·7	1·920	3·423	8·65	1,628	3·850	15,694	63·0
1979	465·6	2·122	3·525	9·02	1,762	3·887	22,538	67·8
1975 *1*	700·4	2·392	5·956	10·23	1,525	5·586	7,117	81·7
2	679·2	2·325	5·857	9·50	1,461	5·474	6,198	79·1
3	634·1	2·128	5·673	9·26	1,415	5·429	5,859	75·2
4	620·0	2·043	5·413	9·03	1,389	5·304	5,429	73·0
1976 *1*	604·3	2·000	5·157	9·04	1,528	5·148	5,905	72·0
2	540·2	1·807	4·508	8·49	1,556	4·621	5,312	65·8
3	514·1	1·767	4·380	8·67	1,483	4·474	5,158	64·1
4	484·8	1·651	4·039	8·33	1,424	3·978	4,129	59·6
1977 *1*	489·1	1·714	4·321	8·53	1,514	4·107	9,618	61·8
2	472·9	1·719	4·315	8·51	1,523	4·060	11,572	61·6
3	461·7	1·735	4·160	8·49	1,532	4·004	17,171	61·8
4	447·4	1·814	3·960	8·77	1,593	4·031	20,557	63·3
1978 *1*	458·5	1·928	3·719	9·17	1,662	4·011	20,320	65·4
2	404·9	1·836	3·517	8·45	1,584	3·809	16,542	61·5
3	372·3	1·932	3·241	8·46	1,617	3·875	16,511	62·4
4	377·7	1·984	3·227	8·52	1,650	3·719	15,694	62·7
1979 *1*	406·1	2·016	3·375	8·60	1,691	3·739	21,947	64·0
2	452·9	2·081	3·565	9·10	1,762	3·943	22,070	67·4
3	490·1	2·233	3·654	9·45	1,824	4·056	22,692	71·0
4	514·6	2·159	3·505	8·94	1,772	3·810	22,538	68·8
1978 *J*	379·0	1·894	3·414	8·41	1,604	3·892	16,735	62·1
A	365·7	1·942	3·232	8·43	1,623	3·873	16,405	62·4
S	372·1	1·959	3·078	8·54	1,625	3·859	16,511	62·7
O	368·6	2·007	3·080	8·45	1,628	3·693	15,971	62·5
N	375·8	1·960	3·276	8·54	1,651	3·732	15,669	62·5
D	388·8	1·984	3·325	8·57	1,671	3·731	15,694	63·2
1979 *J*	396·4	2·006	3·348	8·52	1,677	3·708	16,258	63·5
F	401·6	2·004	3·357	8·56	1,683	3·720	16,617	63·7
M	420·5	2·038	3·420	8·73	1,714	3·790	21,947	65·0
A	447·9	2·073	3·555	9·02	1,748	3·926	21,467	66·9
M	449·6	2·058	3·554	9·08	1,752	3·926	21,532	66·9
J	461·3	2·112	3·585	9·21	1,785	3·977	22,070	68·3
J	493·7	2·260	3·721	9·60	1,854	4·122	23,439	71·9
A	487·4	2·238	3·708	9·52	1,833	4·095	23,245	71·4
S	489·2	2·200	3·532	9·24	1,785	3·950	22,692	69·8
O	493·3	2·145	3·491	9·00	1,770	3·836	22,318	68·4
N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	68·4
D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	69·7
1980 *J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	71·4
F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	72·8
M								

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. A substantial valuation change at March 1979 increased the level of reserves by $4,493 million. These valuation changes are described in detail in the footnotes of Table 17 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Rates to the £
Japanese yen
US dollars
Swiss francs
French francs
Italian lire
Deutsche mark
Sterling effective exchange rate
December 1971 = 100
1975
1976
1977
1978
1979
1980

Money stock

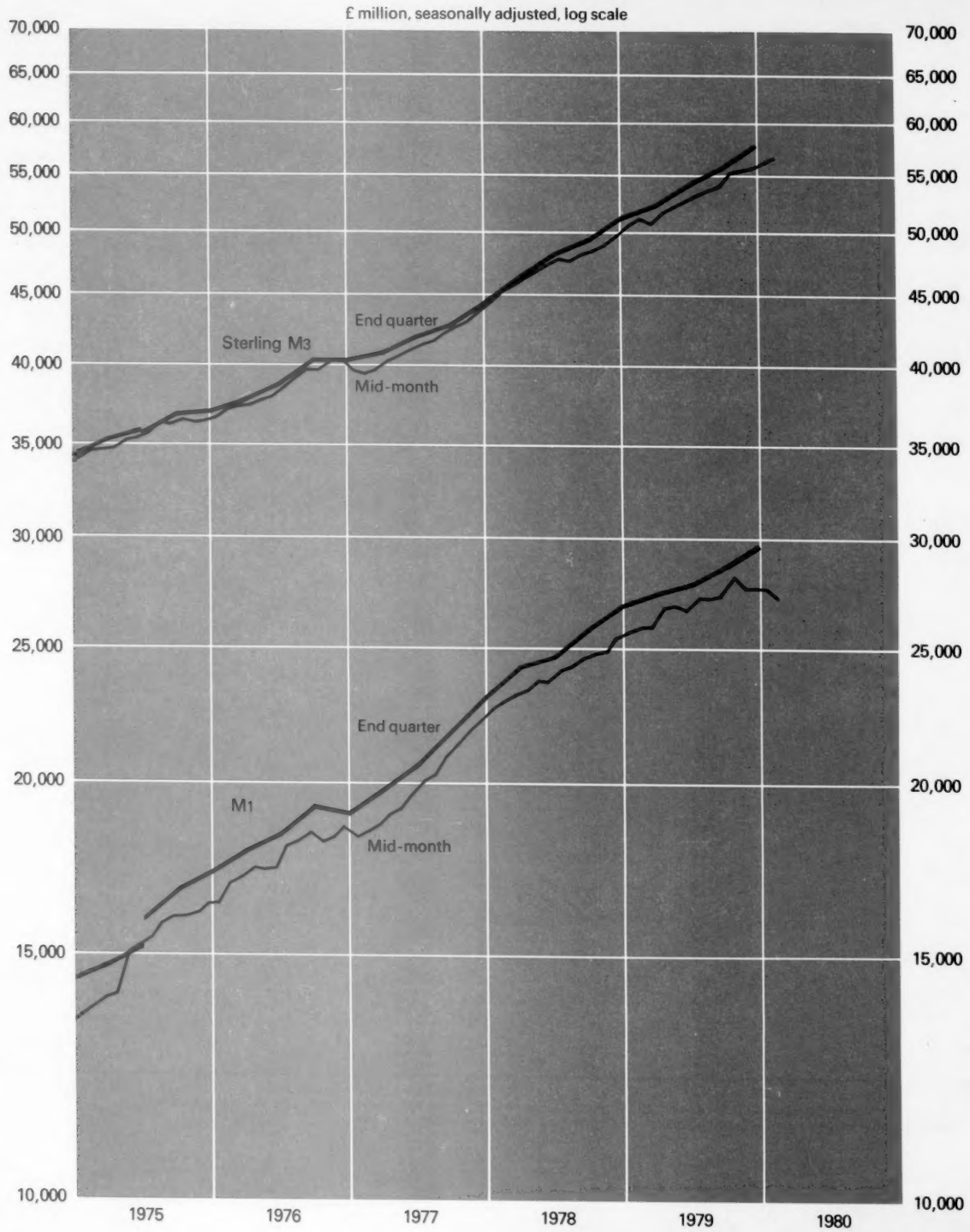
£ million: amounts outstanding

	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1974 *1*	12,690	−334	*−2·6*	32,480	1,065	*+3·4*	34,260	1,406	*+4·3*	5·888	2·370	2·257
2	13,100	409	*+3·2*	32,690	214	*+0·7*	34,870	621	*+1·8*	6·339	2·509	2·365
3	13,450	357	*+2·7*	33,430	745	*+2·3*	35,930	1,065	*+3·1*	6·629	2·662	2·486
4	14,470	1,005	*+7·5*	34,670	1,231	*+3·7*	37,070	1,129	*+3·1*	6·472	2·654	2·476
1975 *1*	14,780	288	*+2·0*	35,220	520	*+1·5*	37,740	641	*+1·7*	6·520	2·729	2·549
2[2]	15,170	386	*+2·6*	35,730	505	*+1·4*	38,080	337	*+0·9*	6·813	2·911	2·724
	15,900			35,710			38,060					
3	16,690	793	*+5·0*	36,900	1,195	*+3·3*	39,690	1,632	*+4·3*	6·654	2·953	2·757
4[3]	17,220	551	*+3·3*	36,980	111	*+0·3*	39,950	293	*+0·7*	6·666	3·060	2·838
1976 *1*	17,880	698	*+4·1*	37,680	702	*+1·9*	40,830	873	*+2·2*	6·738	3·168	2·928
2	18,340	470	*+2·6*	38,690	1,019	*+2·7*	42,260	1,435	*+3·5*	6·675	3·166	2·910
3	19,180	842	*+4·6*	40,320	1,648	*+4·3*	44,350	2,117	*+5·0*	6·727	3·194	2·914
4	18,950	−223	*−1·2*	40,280	− 1	—	44,250	− 66	*−0·1*	6·924	3·276	2·980
1977 *1*	19,700	759	*+4·0*	40,810	566	*+1·4*	45,090	877	*+2·0*	6·902	3·290	2·986
2	20,520	821	*+4·2*	41 950	1,149	*+2·8*	46,620	1,538	*+3·4*	6·924	3·365	3·036
3	21,840	1,325	*+6·5*	42,760	804	*+1·9*	47,170	551	*+1·2*	6·866	3·434	3·101
4[4]	23,090	1,271	*+5·8*	44,340	1,595	*+3·7*	48,610	1,454	*+3·1*	6·646	3·428	3·118
1978 *1*	24,240	1,157	*+5·0*	46,730	2,405	*+5·4*	51,260	2,662	*+5·5*	6·520	3·388	3·090
2	24,660	431	*+1·8*	48,090	1,374	*+2·9*	53,320	2,072	*+4·0*	6·517	3·361	3·047
3	25,790	1,124	*+4·6*	49,260	1,172	*+2·4*	54,190	870	*+1·6*	6·573	3·406	3·084
4	26,940	1,159	*+4·5*	51,080	1,816	*+3·7*	55,980	1,794	*+3·3*	6·417	3·372	3·071
1979 *1*	27,430	493	*+1·8*	52,150	1,058	*+2·1*	56,840	849	*+1·5*	6·202	3·266	2·989
2	27,800	362	*+1·3*	54,210	2,049	*+3·9*	59,350†	2,490†	*+4·4*	6·542	3·397	3·109
3	28,630†	834†	*+3·0*	55,720	1,511†	*+2·8*	60,540	1,198	*+2·0*	6·683	3·431	3·144
4	29,660	1,040	*+3·6*	57,900	2,183	*+3·9*	63,210	2,670	*+4·4*			
At mid-month												
1978 *J*	24,210	548	*+2·3*	47,880	666	*+1·4*	52,790	491	*+0·9*	..	..	..
A	24,370	151	*+0·6*	47,670	−223	*−0·5*	52,170	−638	*−1·2*	..	..	..
S	24,620	249	*+1·0*	48,140	460	*+1·0*	52,670	486	*+0·9*	..	..	..
O	24,860	236	*+1·0*	48,490	334	*+0·7*	53,130	449	*+0·9*	..	..	..
N	24,900	43	*+0·2*	48,800	306	*+0·6*	53,750	615	*+1·2*	..	..	..
D	25,490	585	*+2·3*	49,520	710	*+1·5*	54,370	612	*+1·1*	..	..	..
1979 *J*	25,730	214†	*+0·8*	50,570	997†	*+2·0*	55 250	834†	*+1·5*	..	..	..
F	25,930†	194	*+0·8*	51,080	506	*+1·0*	55,940†	676	*+1·2*	..	..	..
M	25,960	35	*+0·1*	50,640	−443	*−0·9*	55,210	−723†	*−1·3*	..	..	..
A	26,750	786	*+3·0*	51,360	721	*+1·4*	55,910†	696	*+1·3*	..	..	..
M	26,790	39	*+0·1*	52,090	729	*+1·4*	56,930	1,016	*+1·8*	..	..	..
J	26,570	−213	*−0·8*	52,690	601	*+1·2*	57,760	830†	*+1·5*	..	..	..
J	27,210	641	*+2·4*	53,110	426	*+0·8*	57,770	15	—	..	..	..
A	27,200	− 3†	—	53,670	563†	*+1·1*	58,250	494	*+0·9*†	..	..	..
S	27,310	120	*+0·4*	53,990	346	*+0·6*	58,620	393	+0·7	..	..	..
O	28,210	921	*+3·4*	55,020	1,066	*+2·0*	59,920	1,336	*+2·3*†	..	..	..
N	27,630	−575	*−2·0*†	55,370†	371	*+0·7*	60,930	1,027	*+1·7*	..	..	..
D	27,650	26	*0·1*	55,620	258	*+0·5*	60,780	143	*−0·2*	..	..	..
1980 *J*	27,620	2	—	56,180	611	*+1·1*	61,040	310	*+0·5*			
F	27,180	−431	*−1·6*	56,700	529	*+0·9*	61,800	772	*+1·3*			
M												

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [3] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[4] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million, seasonally adjusted, log scale
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
1975
1976
1977
1978
1979
1980

Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

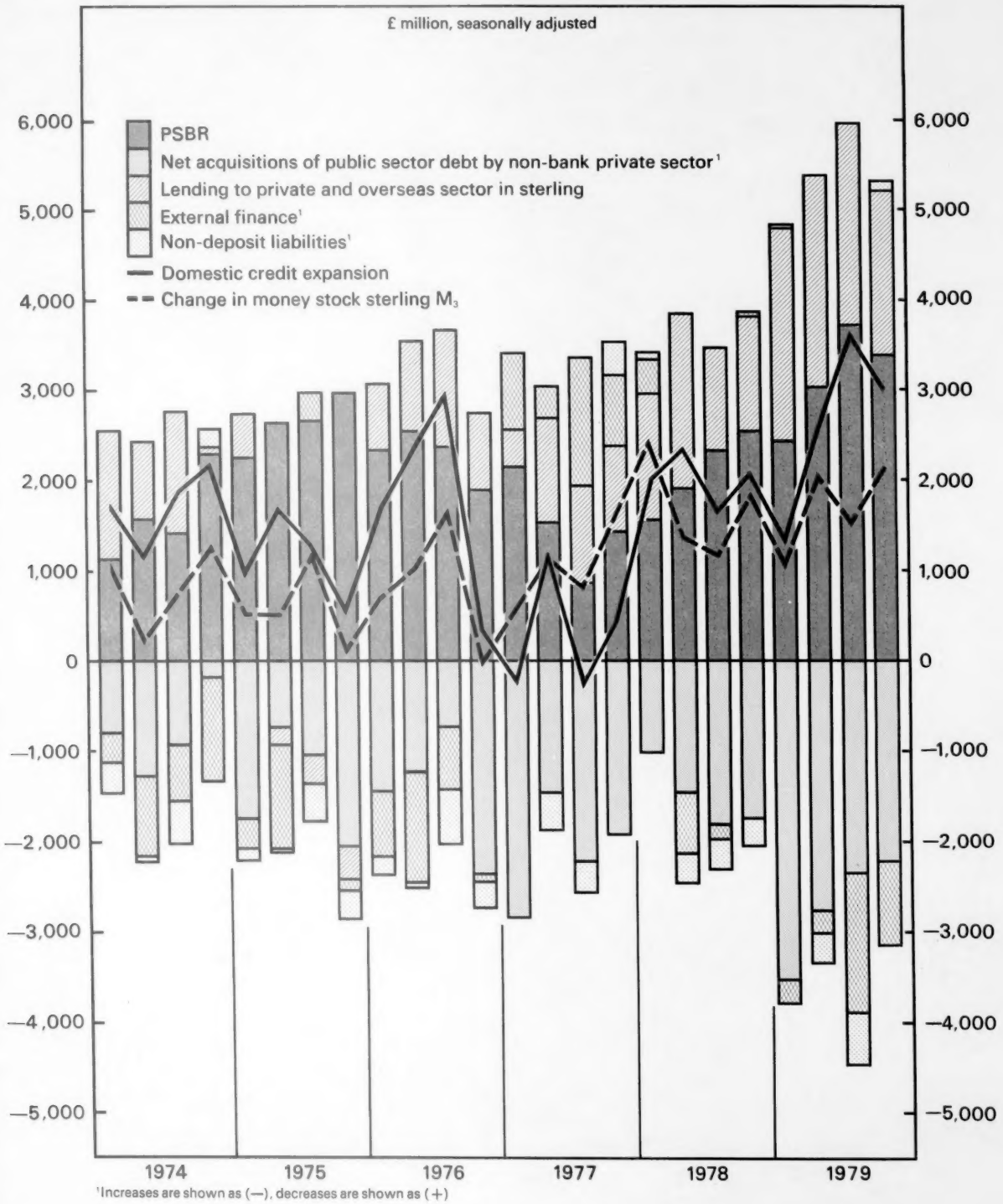
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector[2]	Bank lending in sterling to overseas sector	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M[3]
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt						
	1	2	3	4	5	6	7	8	9	10
1975	8,345	2,139†	205	5,344	−371	− 34	4,530†	1,301†	898	2,331
1976	6,786	2,344	296	5,470†	3,264†	647	7,275	2,744	1,166†	3,565
1977	4,469	1,525	549	7,907	3,188	405	1,131	−3,395	396	4,130
1978	8,371	− 23	−318†	6,343	4,698	1,062†	8,085	425	887	6,772
1979	10,393	2,256	1,055	9,796	8,556	− 14	10,340	3,025	732	6,583
1975 *1*	1,330	916	80	1,660	603	−124	985	342	123	520
2	1,894	728	227	496	−349	148	1,698	1,154	39	505
3	2,686	− 40	−195	1,227	−347	21	1,288	−327	420	1,195
4	2,435	535†	93	1,961	−278	− 79	559†	132	316	111
1976 *1*	1,807	515	20	1,419†	419	343	1,645	715	228†	702
2	1,734	808	186	1,048	733	261	2,302	1,226†	57	1,019
3	1,980	389	58	665	1,104	199	2,949	695	606	1,648
4	1,265	632	32	2,338	1,011	−156	382	108	275	− 1
1977 *1*	1,583	562	480	2,366	493†	− 84†	−292	−858	—	566
2	1,094	454	293	1,180	966	182	1,223	−335	409	1,149
3	235	643	− 72	2,280	901	159	−270	−1,427	353	804
4	1,557	−134	−152	2,081	812	148	454	−775	−366	1,595
1978 *1*	1,367	190	−144	1,155	758	648	1,952	−373	− 82	2,405
2	2,157	−244	−343	1,809	1,641	294	2,382	667	341	1,374
3	2,393	− 73	312	1,499	1,106	47	1,662	175	315	1,172
4	2,454	104	−143†	1,880	1,188	75	2,084	− 44	313	1,816
1979 *1*	1,056	1,407	520	2,994	2,419	− 80	1,288	284	− 54	1,058
2	3,274	−240	− 86	2,845	2,362	− 18	2,619	252	318	2,049
3	2,853	870	433	1,903	2,161	99	3,647	1,560	576	1,511†
4	3,210	219	188	2,054	1,832	− 15	3,004	929	−108	2,183
Month ended										
1978 Oct. 18	368		− 60	228	398†	− 16†	462†	179	− 51†	334
Nov. 15	890		−186	791†	441	−115	239	−177	110	306
Dec. 13	756		401	681	475	137	1,088	317	61	710
1979 Jan. 17	593		151	500	481	63	788	−192	− 16	996
Feb. 21	648		338	921	1,129	−146	1,048	312	230	506†
Mar. 21	− 30		295	1,322	733	3	−321	86	36	−443
April 18	1,464		133	1,346	535	30	816	87	8	721
May 16	853		−215	521	808	70	995	132	134	729
June 20	1,250		133	1,441	1,029	− 75	896	16	279	601
July 18	786		119	861	386	− 10	420	− 7	—	427
Aug. 15	281		202	243	693	112	1,045	354	128	563
Sept. 19	1,647		129	960	157	− 29	944	548	50	346
Oct. 17	937		−622	− 38	1,223	− 29	1,547	368	113	1,066
Nov. 21	731		13	482	729	103	1,094	746	− 23	371
Dec. 12	1,470		−137†	1,224	163	− 22	250	−153	145	258
1980 Jan. 16	154		471	1,322	1,301	188	792	110	71	611
Feb. 20	22		−76	127	584	92	495	51	−85	529

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,970	3,704	16,558	4,450	11,199	1,092	3,608	2,239	39,146	36,107
1975	38,522	4,435	23,050	5,065	14,366	1,193	4,212	3,756	51,642	47,736
1976	44,697	5,263	26,683	5,482	17,006	1,425	5,395	2,365	58,356	53,974
1977	50,994	5,924	29,153	4,936	19,523	1,494	6,372	249	61,727	56,770
1978	56,492	6,392	32,817	4,749	23,138	1,976	7,221	1,652	71,553	65,898
1979	68,092	7,192	37,593	5,287	27,049	1,881	8,819	3,504	84,133	77,484
1975 *3*	9,989	1,192	5,890	1,208	3,618	297	1,248	880	13,141	12,061
4	10,340	1,102	6,214	1,370	3,851	319	1,034	876	13,664	12,713
1976 *1*	10,937	1,357	6,420	1,693	4,127	385	1,522	939	15,086	13,827
2	10,724	1,216	6,614	1,207	4,247†	309	1,004	500	13,881†	12,940†
3	11,105	1,408	6,728	1,299	4,212	324	1,629	741	14,933	13,708
4	11,931	1,282	6,921	1,283	4,420	407	1,240	185	14,456	13,499
1977 *1*	12,711	1,545	7,017	1,566	4,745	464	1 832	431	16,055	14,677
2	12,362	1,380	7,250†	1,028	4,836	351	1,313	−178	14,600	13,590
3	12,842	1,697	7,362	1,167	4,859	317	1,747†	88	15,540	13,973
4	13,079	1,302	7,524	1,175	5,083	362	1,480	−92	15,532	14,530
1978 *1*	14,100	1,697†	7,929	1,412	5,665	676	1,996	66	17,744	16,179
2	13,481	1,498	8,044	974†	5,679	396†	1,455	436†	16,984	15,809
3	13,865	1,681	8,240	1,181	5,754	434	1,949	719	18,277	16,636
4	15,046	1,516	8.604	1,182	6,040	470	1,821	431	18,548	17,274
1979 *1*	16,062	1,907	8,782	1,567	6,481	487	2,329	559	20,205	18,455
2	16,201	1,687	9,118	1,019	6,749	456	1,876	662	19,880	18,305
3	17,356	1,906	9,669	1,355	6,543	452	2,514	1,063	21,596	19,767
4	18,473	1,692	10,024	1,346	7,276	486	2,100	1,220	22,452	20,957

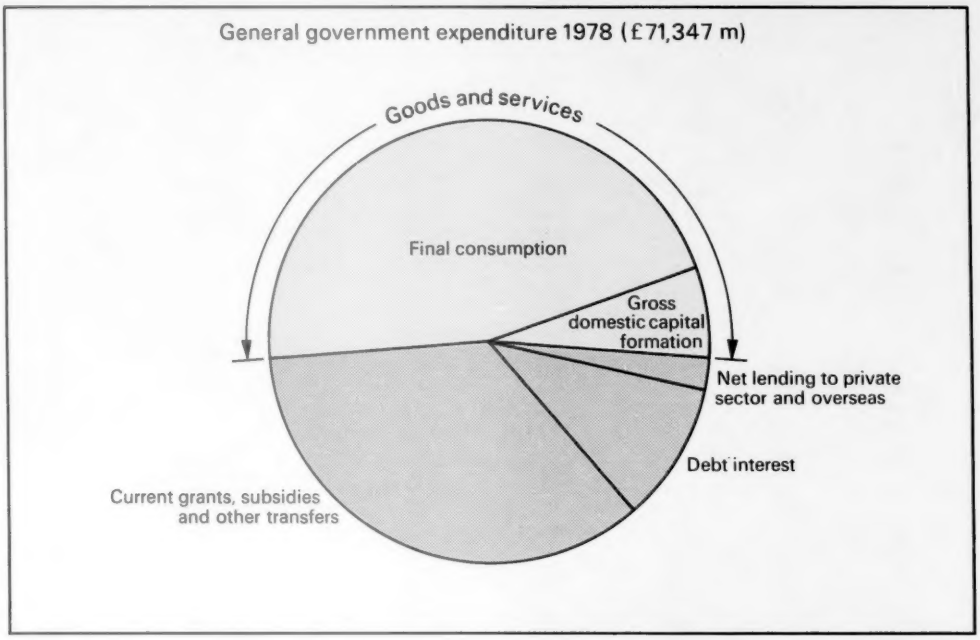
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7841). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

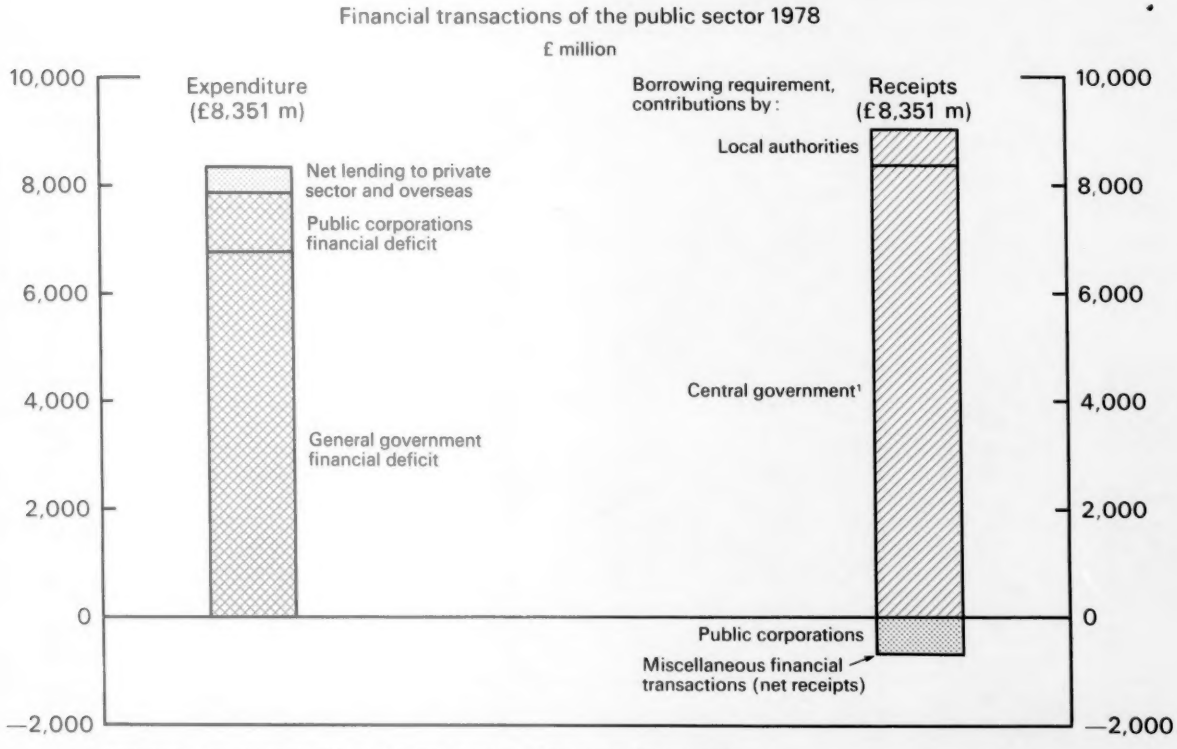
Financial transactions of the public sector

£ million

	Financial deficit[1]				Receipts				
						Borrowing requirement			
							Contributions by:		
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1975	7,879†	4,929†	2,950	1,831	9,710†	−774†	10,484†	8,345	1,629	510†	10,484†
1976	8,183	6,031	2,152†	1,286	9,469	339	9,130	6,786	1,103	1,241	9,130
1977	5,787	4,560	1,227	150	5,937	−57	5,994	4,469	183	1,342	5,994
1978	8,124	7,017	1,107	423†	8,547	199	8,348	8,371	659	−682	8,348
1979	7,168	5,345	1,823	719	7,887	−4,762	12 649	10,393	1,759	497	12,649
1976 *1*	2,589†	1,853†	736	363	2,952†	1,345†	1,607	1,414	188	5	2,322
2	1,956	1,441	515	431	2,387	−535	2,922	2,204	274	444	2,542
3	2,449	1,679	770	288	2,737	474	2,263	1,655	279	329	2,369
4	1,189	1,058	131†	204	1,393	−945	2,338	1,513	362	463	1,897
1977 *1*	1,610	1,368	242	315	1,925	925	1,000	572	463	−35	2,145
2	1,259	1,036	223	12	1,271	−813	2,084	1,803	−256	537	1,548
3	1,647	913	734	20	1,667	724	943	210	269	464	878
4	1,271	1,243	28	−197	1,074	−893	1,967	1,884	−293	376	1,423
1978 *1*	2,073	1,881	192	−116	1,957	1,354	603	534	709	−640	1,557
2	1,870	1,569	301	140†	2,010	−207	2,217	2,659	−136	−306	1,913
3	2,592	2,012	580	281	2,873	576	2,297	2,259	154	−116	2,320
4	1,589	1,555	34	118	1,707	−1,524	3,231†	2,919	− 68	380†	2,558†
1979 *1*	2,138	1,677	461	220	2,358	821	1,537	247	1,002	288	2,463
2	1,691	1,330	361	228	1,919	−1,425	3,344	3,797	−254	−199	3,034
3	2,233	1,271	962	115	2,348	−1,499	3,847†	2,870†	673†	304	3,723
4	1,106	1,067	39	156	1,262	−2,659	3,921	3,479	338	104	3,429

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.


General government expenditure 1978 (£71,347 m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations

Sector financial accounts

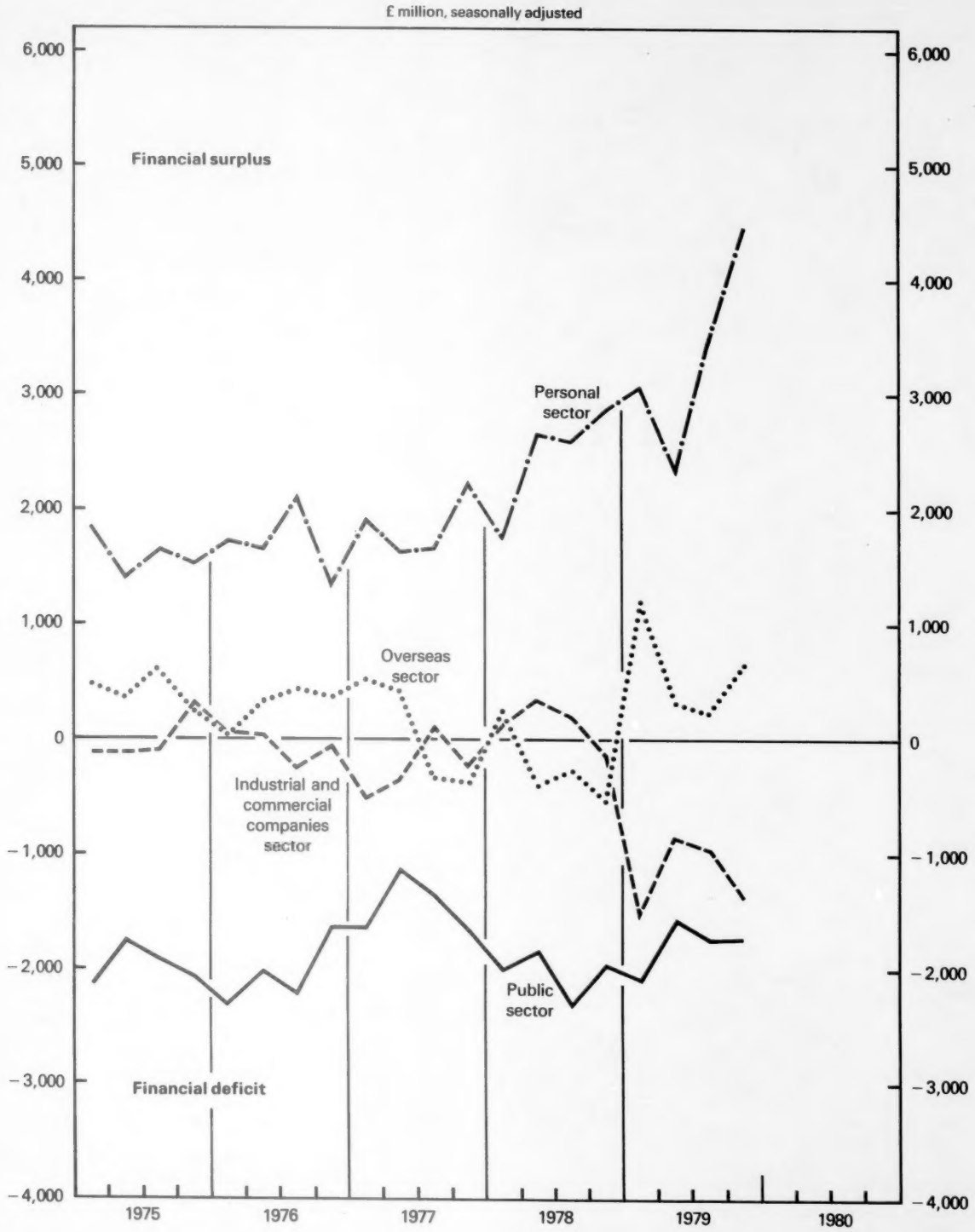
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1974	2,722	110	7,553	1,096	−193	1,458	7,119	332	12,069
1975	2,131†	− 34	9,976	1,073	− 65	1,698	8,873†	404	9,278
1976	2,887	−204	10,866†	1,734	− 97	2,034	12,637	358	13,214†
1977	4,334	−232	9,889	1,863†	−101	2,355	13,558	257†	14,797
1978	2,516	−573†	10,067	2,733	− 65	3,222	15,060	362	14,881
1979	4,500	−291	11,377	3,596	−193†	3,708†	16,652	338	21,696
1975 *1*	254	− 30	2,355	217	53	361	2,125†	69	2,312
2	597†	39	2,409	221	− 40	412	1,942	92	2,151
3	613	− 24	2,496	288	− 40	479	2,155	126	2,372
4	667	− 19	2,716	347	− 38	446	2,651	117	2,443
1976 *1*	532	− 9	2,832	304	− 5	446	2,695	66	2,716†
2	807	− 48	2,784	319	− 31	494	2,965	106	3,032
3	500	− 54	2,661	505†	− 31	553	3,210	93	3,555
4	1,048	− 93	2,589†	606	− 30	541	3,767	93	3,911
1977 *1*	1,126	− 83	2,674	490	10	492	3,591	44†	4,139
2	1,295	− 78	2,354	453	− 38	502	3,497	96	3,934
3	1,202	− 52	2,501	515	− 37	714	3,280	58	3,236
4	711	− 19	2,360	405	− 36	647	3,190	59	3,488
1978 *1*	692	−256	2,434	455	103	844	3,408	98	3,359
2	805	−122	2,523	668	− 54	854	4,007	92	3,742
3	348	−103	2,555	785	− 57	719	3,910	85	3,794
4	671	− 92	2,555	825	− 57	805	3,735	87	3,986
1979 *1*	889	− 60	2,927	919	− 15	812†	3,799	48	5,366
2	1,066	−123	2,529	817	− 59	1,047	4,780	121	5,442
3	1,361	− 64	3,043	984	− 64	791	4,262	105	5,634
4	1,184	− 44	2,878	876	− 55	1,058	3,811	64	5,254

	Personal sector			Net acquisition of financial assets[4]					
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1974	8,598	−324	3,158	−4,721	−555	−4,618	5,116	3,502†	1,276
1975	10,389†	−305	3,645	−7,879†	−690	− 1†	6,439†	1,732	399
1976	11,493	−57	4,604	−8,183	−397	−219	6,832	1,202	765
1977	12,844	76†	5,508	−5,787	−593†	−982	7,412	224	−274
1978	15,939	276	6,340†	−8,124	−554	541	9,875	−932	−806
1979	21,040	146	7,823	−7,168	−305	−4,706	13,363	2,437	−3,621
1975 *1*	2,781†	−92	823	−2,131	−91	−118†	1,866†	497†	−23†
2	2,388	−91	889	−1,773†	−231	−117	1,408	358	355
3	2,647	−62	945	−1,907	−231	− 91	1,640	629	−40
4	2,573	−60	988	−2,068	−137	325	1,525	248	107
1976 *1*	2,810	−52	1,042	−2,309	−147	45	1,716	38	657
2	2,766	−27	1,072	−2,025	−206	39	1,667	349	176
3	3,322	−8	1,211	−2,215	− 79†	−252	2,103	452	−9
4	2,595	30	1,279	−1,634	35	− 51	1,346	363	−59
1977 *1*	3,247	29†	1,374	−1,631	8	−504	1,902	546	−321
2	2,952	20	1,343	−1,137	− 87	−341	1,629	442	−506
3	2,977	31	1,343	−1,351	−236	102	1,665	−366	186
4	3,668	−4	1,448	−1,668	−278	−239	2,216	−398	367
1978 *1*	3,185	55	1,484†	−1,998	−286	147	1,756	270	111
2	4,108	84	1,544	−1,840	−240	357	2,648	−412	−513
3	4,181	75	1,670	−2,310	9	201	2,586	−256	−230
4	4,465	62	1,642	−1,976	− 37	−164	2,885	−534	−174
1979 *1*	4,660	27	1,622	−2,098	92	−1,519	3,065	1,215	−755
2	4,192	61	1,912	−1,586	−289	−541	2,341	310	−235
3	5,446	23	1,990	−1,746	129	−1,267	3,479	238	−833
4	6,742	35	2,299	−1,738	−237	−1,379	4,478	674	−1,798

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


£ million, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1975
1976
1977
1978
1979
1980

Appropriation account of industrial and commercial companies

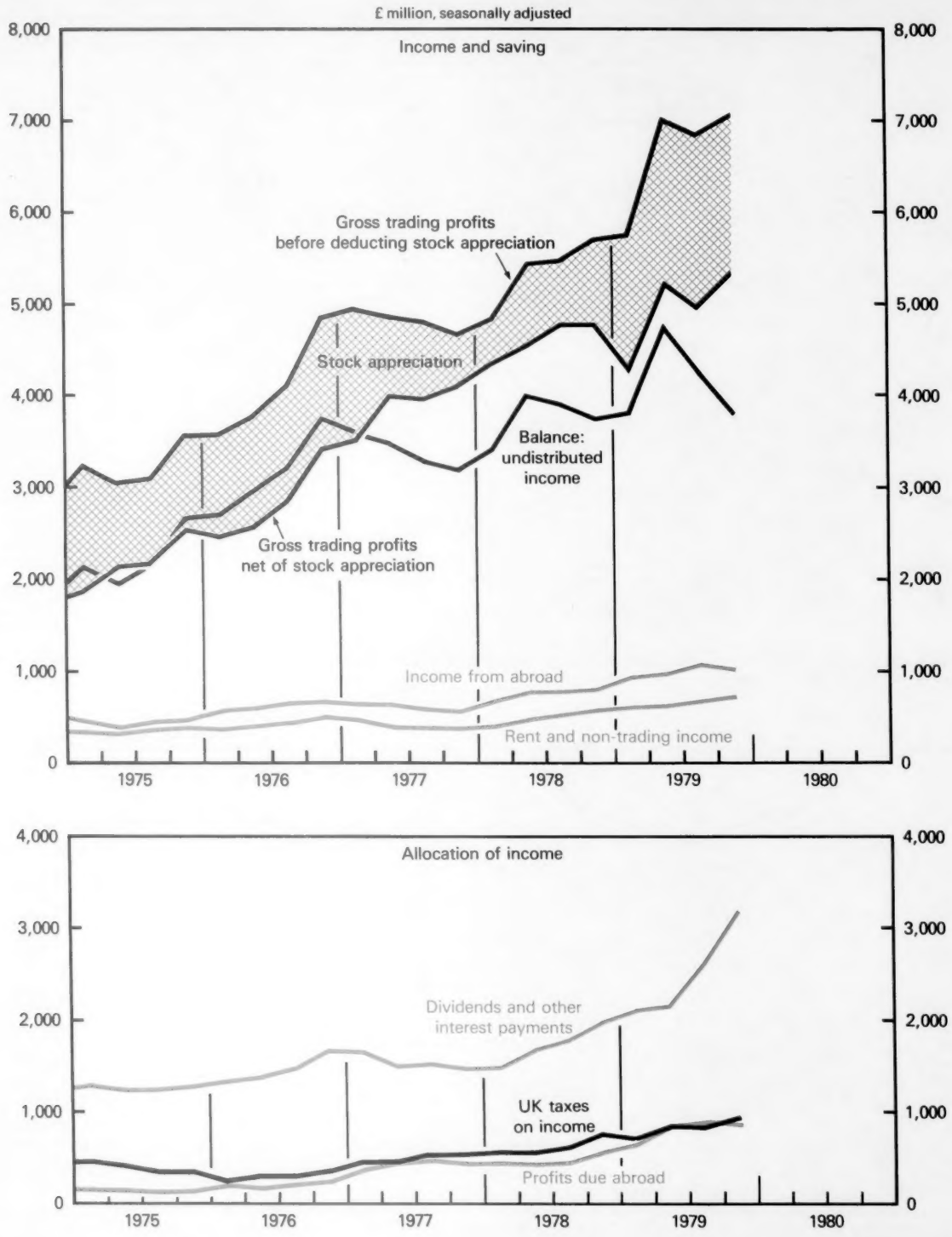
£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1969	7,521	5,579	576	6,155	504	165	862	1,554	1,223	756	259	1,026	3,459	815
1970	7,894	5,588	863	6,451	514	151	929	1,378	1,307	799	322	1,330	3,557	1,037
1971	8,652	6,355	842	7,197	518	135	937	1,530	1,330	792	397	1,143	4,252	1,331
1972	9,821	7,092	1,075	8,167	628	196	1,026	1,524	1,529	969	549	1,036	5,183	1,589
1973	12,680	7,430	2,290	9,720	1,021	501	1,939	1,638	2,394	1,806	665	1,156	6,827	2,357
1974	14,474	6,318	4,706	11,024	1,307	697	2,143	1,469	3,376	2,716	525	1,985	7,119	4,008
1975	15,846†	8,647†	4,262	12,909†	1,296	621	1,641	1,603	3,352	2,674	447	1,566	8,873†	3,451
1976	20,268	11,312	4,994	16,306	1,603†	814	2,359	1,852	3,875	3,156	744	1,160	12,637	4,111
1977	23,170	15,552	3,769	19,321	1,534	654	2,315	2,242	3,784†	3,058†	1,631	1,955	13,558	3,879
1978	26,161	18,431	3,004†	21,435	1,859	854	2,867†	2,695	4,143	3,464	1,769	2,494†	15,060	3,597
1979	33,128	19,761	6,926	26,687	2,544	1,286†	3,897	3,954†	6,052	5,449	3,179†	3,291	16,652	4,380†
1974 *1*	3,631†	1,105	1,582	2,687	338	192	606†	398†	800	647	170	341	1,922†	943
2	3,601	1,542	1,180	2,722	320	170	559	382	820	657	126	538	1,735	1,073
3	3,642	1,929	890	2,819	328	173	495	356	864	691	103	651	1,668	1,018
4	3,600	1,742	1,054	2,796	321	162	483	333	892	721	126	455	1,794	974
1975 *1*	3,985	1,864†	1,391	3,255†	310	151	420	399	879	711	125	457	2,125	929
2	3,686	2,106	915	3,021	295	131	370	400	810	641	122	412	1,942	879
3	3,810	2,157	916	3,073	330	158	407	401	811	637	95	348	2,155	881
4	4,365	2,520	1,040	3,560	361	181	444	408	852	685	105	349	2,651	762
1976 *1*	4,444	2,471	1,104	3,575	342	159	527	448	858	672	196	247	2,695	974
2	4,732	2,567	1,220	3,787	377†	181	568	453	887	709	135	292	2,965	984
3	5,132	2,857	1,245	4,102	405	204	625	467	972	787	193	290	3,210	1,045
4	5,960	3,417	1,425	4,842	479	270	639	484	1,158	988	220	331	3,767	1,108
1977 *1*	6,023	3,504	1,464	4,968	445	230	610	518	1,110†	917†	347	457	3,591	993
2	5,852	3,995	881	4,876	372	156	604	535	937	757	427	456	3,497	1,004
3	5,734	3,962	842	4,804	367	145	563	587	908	730	439	520	3,280	910
4	5,561	4,091	582	4,673	350	123	538	602	829	654	418	522	3,190	972
1978 *1*	5,843	4,336	499†	4,835	375	141	633	633	824	637	411	567†	3,408	848
2	6,601	4,547	882	5,429	449	203	723	660	976	808	402	556	4,007	905
3	6,705	4,775	701	5,476	491	235	738	656	1,115	941	416	608	3,910	940
4	7,012	4,773	922	5,695	544	275	773	746	1,228	1,078	540	763	3,735	904
1979 *1*	7,221	4,247	1,492	5,739	581	292	901	715	1,383	1,213	623†	701	3,799	1,080†
2	8,573	5,237	1,792	7,029	597	294†	947	744	1,388	1,227	825	836	4,780	1,120
3	8,565	4,946	1,903	6,849	666	340	1,050	1,032	1,562	1,416	888	821	4,262	1,139
4	8,769	5,331	1,739	7,070	700	360	999	1,463	1,719	1,593	843	933	3,811	1,041

Percentage change, quarter on corresponding quarter of previous year

1978 *1*	− 3·0	+23·7	−65·9	− 2·7	−15·7	− 38·7	+ 3·8	+22·2	−25·8	−30·5	+ 18·4	+24·1	− 5·1	−14·6
2	+12·8	+13·8	+ 0·1	+11·3	+20·7	+ 30·1	+19·7	+23·4	+ 4·2	+ 6·7	− 5·9	+21·9	+14·6	− 9·9
3	+16·9	+20·5	−16·8	+14·0	+33·8	+ 62·1	+31·1	+11·8	+22·8	+28·9	− 5·2	+16·9	+19·2	+ 3·3
4	+26·1	+16·7	+58·4	+21·9	+55·4	+123·6	+43·7	+23·9	+48·1	+64·8	+ 29·2	+46·2	+17·1	− 7·0
1979 *1*	+23·6	− 2·1	+199·0	+18·7	+54·9	+107·1	+42·3	+13·0	+67·8	+90·4	+ 51·6	+23·6	+11·5	+27·4
2	+29·9	+15·2	+103·2	+29·5	+33·0	+ 44·8	+31·0	+12·7	+42·2	+51·9	+105·2	+50·4	+19·3	+23·8
3	+27·7	+ 3·6	+171·5	+25·1	+35·6	+ 44·7	+42·3	+57·3	+40·1	+50·5	+113·5	+35·0	+ 9·0	+21·2
4	+25·1	+11·7	+ 88·6	+24·1	+28·7	+ 30·9	+29·2	+96·1	+40·0	+47·8	+ 56·1	+22·3	+ 2·0	+15·2

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and financial companies and institutions accruals of taxes on income. Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.


£ million, seasonally adjusted
Income and saving
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Balance:
undistributed
income
Gross trading profits
net of stock appreciation
Income from abroad
Rent and non-trading income
1975
1976
1977
1978
1979
1980
Allocation of income
4,000
3,000
2,000
1,000
0
Dividends and other
interest payments
UK taxes
on income
Profits due abroad
1975
1976
1977
1978
1979
1980

Sources and uses of capital funds of industrial and commercial companies

£ million

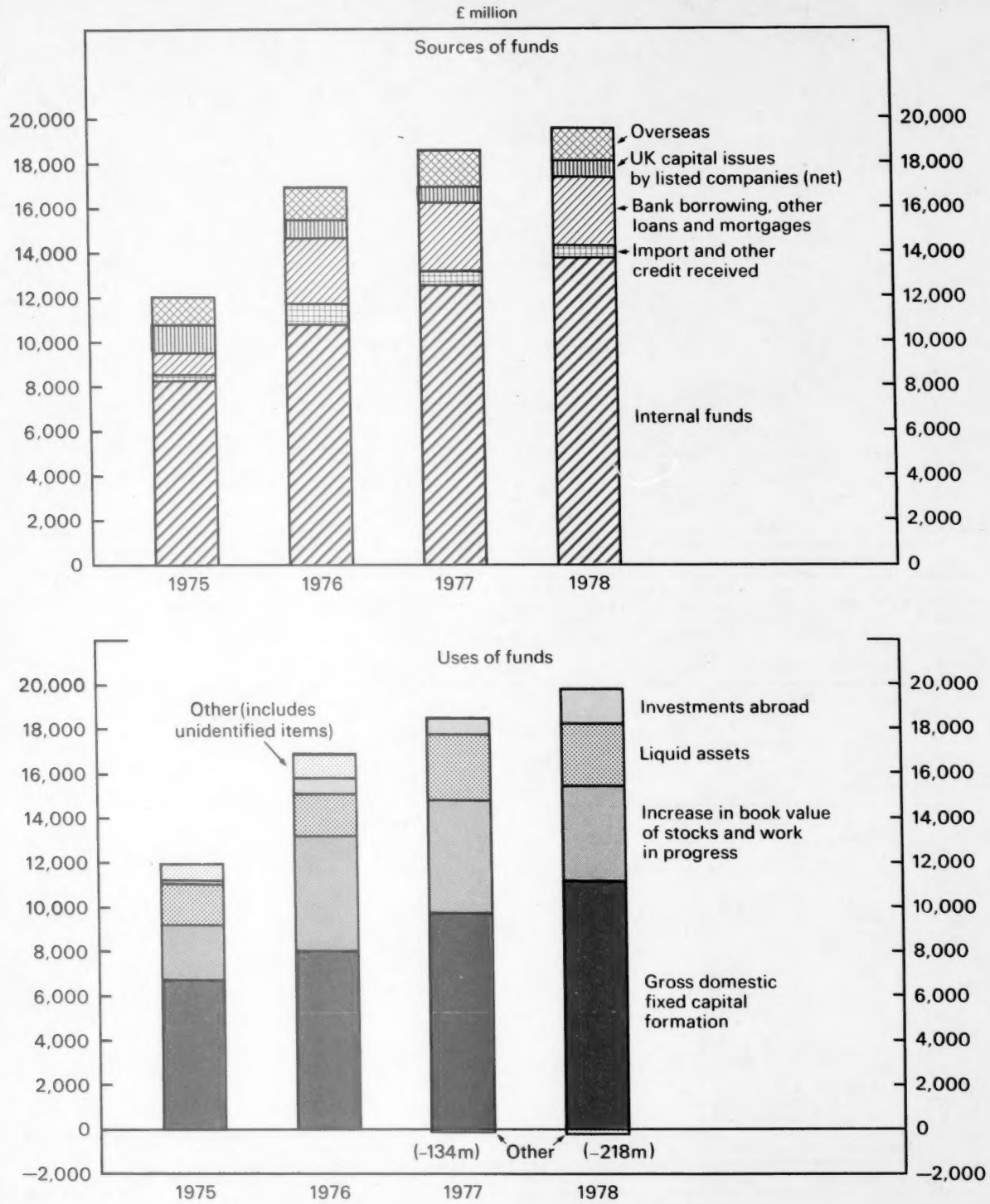
	Sources of funds						Uses of funds					
									Acquisition of financial assets			
	Total	Internal funds[1]	Import and other credit received	Bank borrowing, other loans and mortgages[2]	UK capital issues by listed companies (net)	Overseas	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Liquid assets[3]	Investment abroad	Other	Unidentified items (residual)
1974	14,228	7,310	693	4,521	70	1,634	6,057	6,012	145†	825	1,256	— 67
1975	12,911	9,283	272	947	1,233	1,176	6,770	2,508	1,810	190	1,432	201
1976	18,161	12,105	889	2,897	827	1,443	8,014	5,200	1,887	713	2,749	— 402
1977	19,850	14,031	558	3,101	662	1,498	9,730	5,067	2,956	712	2,211	— 826
1978	21,744	15,899	549	3,191	766	1,339	11,132	3,749	2,818	1,663	1,736	646
1979		19,940	1,369		901	499	11,905	9,791	768	1,955		
1976 *1*	3,758	2,885	221	—155	228	579	1,638	933	146	121	695†	225
2	4,594	2,703	242	951	436	262	1,948	1,014	720†	204	962	— 254
3	3,964	2,628	54	794	140	348	2,189	1,401	701	134	68	— 529
4	5,845	3,889	372	1,307	23	254	2,239	1,852	320	254	1,024	156
1977 *1*	5,401	3,785	257	750	34	575	2,013	2,057	136	224	8	963
2	5,272	3,664	30	861	344	373	2,478	1,362	537	396	785	— 286
3	4,057	3,069	48	389	182	369	2,456	719	924	56	500	— 598
4	5,120	3,513	223	1,101	102	181	2,783	929	1,359	36	918	— 905
1978 *1*	5,573	3,864	268	684	30	727	2,580	816	438	236	— 49	1,552
2	5,595	4 172	— 6	1,041	348	40	2,786	875	827	84	860	163
3	4,229	3,681	—179	386	268	73	2,812	876	512	448	—135	— 284
4	6,347	4,182	466	1,080	120	499	2,954	1,182	1,041	895	1,060	— 785
1979 *1*	7,178	4,385	310	1,933	213	337	2,657	2,659	—460	777	— 20	1,565
2	8,419	5,624	340	1,512	387	556	2,814	2,411	1,437	145	1,160	452
3	5,984	5,174	96	796	68	—150	3,130	2,530	—289	790	399	— 576
4		4,757	623		233	—244	3,304	2,191	80	243		

[1] Before providing for depreciation, stock appreciation and additions to reserves and adjusted for unremitted profits.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.

Selected liquid assets of industrial and commercial companies

	Deposits with banking sector												
Amounts outstanding at end of period	Sterling certificates of deposits	Dollar certificates of deposit	Other sterling deposits[1]	Other foreign currency deposits	Deposits with building societies	Deposits with other financial institutions[2]	Market treasury bills[3]	Tax instruments[4]	British government securities[5]	Local authority temporary debt	Local authority longer-term debt	Total identified	*Bank lending*[6,7,8]
1976 *1*	240	59	7,414	1,984	222	183	551	13	216	443	277	11,602	*18,464*†
2	318	95	7,825	2,013	251	193	699	8	255	425	277	12,339	*19,841*
3	309	143	8,390	2,290	273	203	420	7	257	414	282	12,988	*20,650*
4	342	179	8,520	2,126	289	210	230	7	298 / 289	579	343	13,123 / 13,114	*21,780*
1977 *1*	459	96	8,125	2,546	311	202	293	5	301	477	380	13,195	*22,047*
2	412	275	8,196	2,581	359	225	432	29	336	388	385	13,618	*22,808*
3	421	257	8,812	2,452	399	221	395	354	353	317	378	14,359	*22,997*
4	455	364	9,964	2,199	456	215	206 / 229	479	377 / 436	229	338	15,282 / 15,363	*23,459*
1978 *1*[9]	657	161	10,116	2,555	481	212	315	231† / 224	417	280	301	15,726† / 15,719	*23,853*
2[10]	599	116	10,460	3,041	461 / 333	257	230	224	437	291	290	16,406 / 16,278	*25,220*
3	387	115	10,813	2,817	314	354	83	558	445	319	287	16,492	*25,187*
4	378	163	11,506	2,734	293	326	67	704	449	387	269	17,276	*25,974*
1979 *1*	348	145	10,779	2,441	283	299	67†	1,070	523	446	261	16,662	*27,323*
2	396†	318†	11,440	2,624	274	319	195	1,024	593†	432	256	17,871	*28,514*
3	296	317	11,350†	2,434	261	294	21	987	695	557	265	17,457	*29,767*
4	58	219	11,739	2,774	254	279	93	664	602	559	270	17,511	*29,904*

[1] After deducting 60% items in transit. [2] Before 1st quarter 1972, deposits with finance houses. [3] Including unidentified holdings by other sectors.
[4] Tax reserve certificates, tax deposit accounts and certificates of tax deposits, including holdings by financial institutions, other than building societies, which are known to be small.
[5] These estimates are derived from the Department of Industry's survey of company liquidity. [6] See Financial statistics *Explanatory handbook*, page 94.
[7] Including refinanceable export and shipbuilding credits with effect from mid-May 1972. [8] After adding 40% items in transit. [9] The break in series for tax instruments is due to a new return which identifies certain public corporation holdings which were formerly included with industrial and commercial companies holdings.
[10] The break in series of Deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Overseas
UK capital issues by listed companies (net)
Bank borrowing, other loans and mortgages
Import and other credit received
Internal funds
1975
1976
1977
1978
Uses of funds
Other (includes unidentified items)
Investments abroad
Liquid assets
Increase in book value of stocks and work in progress
Gross domestic fixed capital formation
(-134m)
Other
(-218m)
-2,000

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1975	3,379	3,096	283	122	— 373	495
1976	288†	— 146†	434	3,386	3,138	248
1977	2,378	1,696	682	4,711	3 492	1,219
1978	— 291	123	— 414†	5,798†	4,710†	1,088
1979	2,131	1,546	— 585	9,487	8,544	943
1975 *1*	75	— 223	298	294	335	— 41
2[5]	1,221†	1,233†	— 12	149	— 90	239
3	1,755	1,755	—	— 101	— 351	250
4[4]	339	342	— 3	— 220	— 267	47
1976 *1*	— 20	— 37	17	350	416	— 66
2	— 376	— 430	54	646	727	— 81
3	901	743	158	1,248	1,096	152
4	— 20	— 225	205	945	702	243
1977 *1*	354	— 149	503	1,283†	727†	556
2	— 9	— 9	—	1,209	1,050	159
3	941	692	249	941	878	63
4	1,108	1,178	— 70	1,262	821	441
1978 *1*	— 195	34	— 229	860	658	202
2	—1,494	—1,254	— 240	2,119	1,644	475
3	266	326	— 60	1,507	1,188	319
4	1,137	1,022	115†	1,307	1,215	92
1979 *1*	—1,339	—1,187	— 152	2,700	2,408	292
2	567	718	— 151	2,862	2,372	490
3	432	583	— 151	2,216	2,170	46†
4	1,083	1,214	— 131	1,927	1,812	115

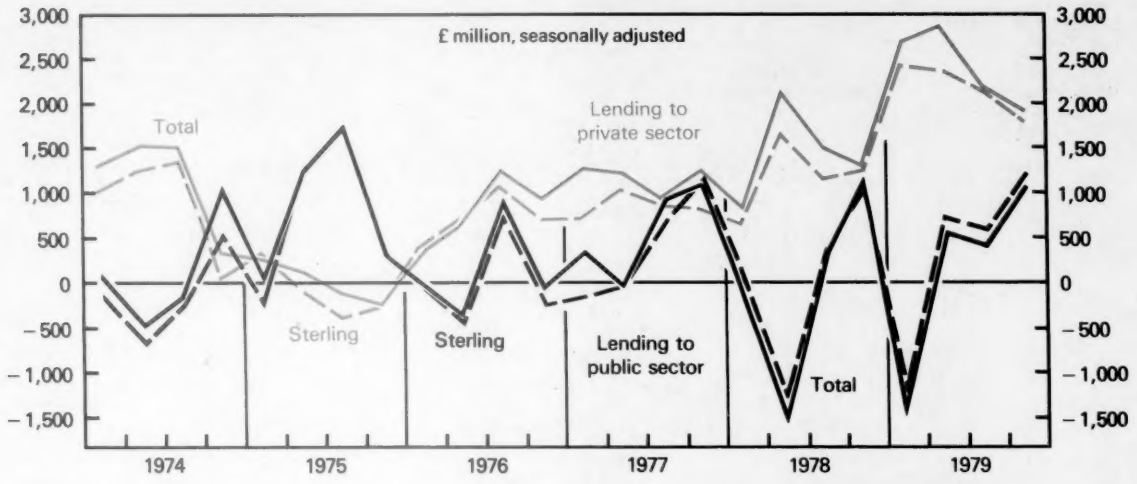
[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

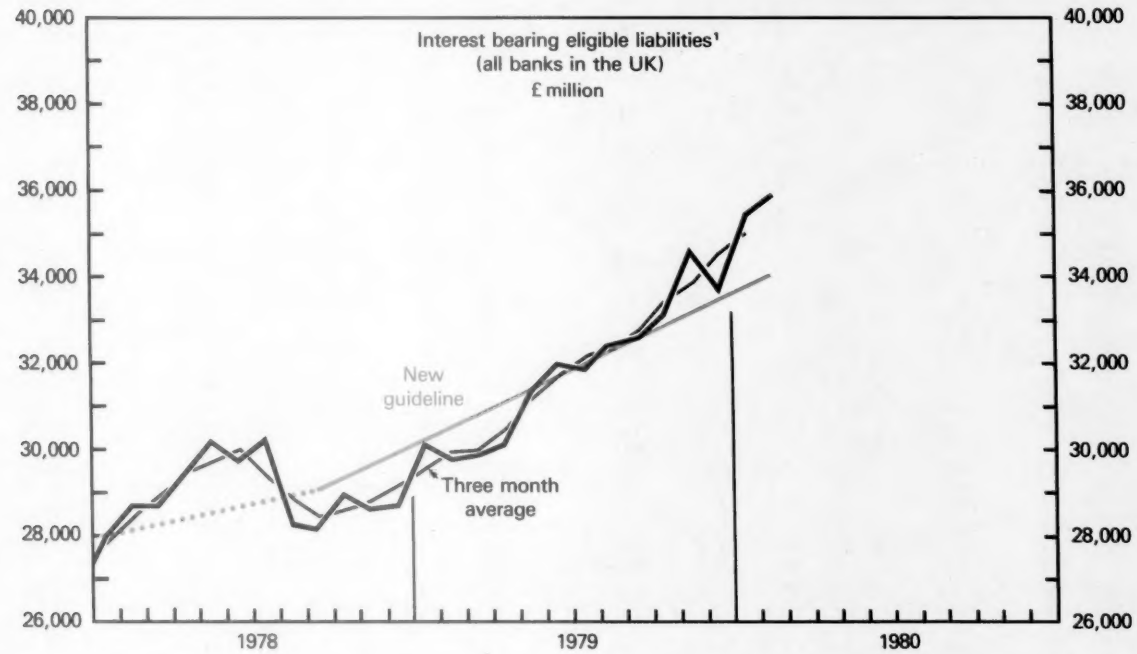
Banks' reserve ratio

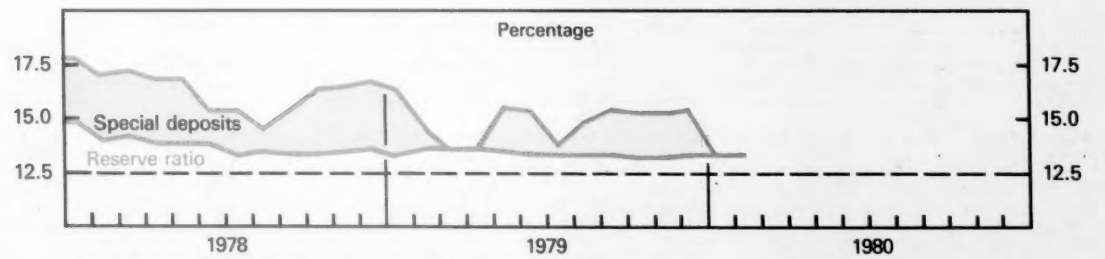
Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1977 *A*	35,844	24,010	14·2	3		*O*[4]	44,832	28,889	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,635	28,681	13·5	3	1
J	36,278	24,222	14·0	3	—	*D*	45,001	28,733	13·6	3	2
J	37,094	24,671	14·0	3	1	1979 *J*	45,984	30,079	13·3	3	2
A	37,692	25,319	14·5	3		*F*	45,554	29,774	13·6	1	3
S	38,796	25,801	14·5	3		*M*	46,085	29,911	13·6	—	2
O	39,709	26,320	14·5	3		*A*	47,510	30,182	13·6	—	1
N	40,209	26,500	15·1	3		*M*	48,409	31,359	13·5	2	5
D	40,850	26,808	14·8	3		*J*	48,988	31,971	13·3	2	9
1978 *J*	41,678	27,990	14·8	3		*J*	49,156	31,903	13·3	½	2
F	42,225	28,620	14·0	3		*A*	49,863	32,488	13·3	1½	10
M	42,557	28,686	14·1	3		*S*	50,068	32,579	13·3	2	4
A	43,863	29,373	13·9	3		*O*	51,282	33,160	13·2	2	1
M	44,514	30,107	13·9	3		*N*	52,263	34,532	13·2	2	3
J	44,355	29,719	13·8	1½		*D*	51,647	33,608	13·3	2	3[5]
J	45,022	30,167	13·3	2		1980 *J*	52,937	35,429	13·2	—	28
A	43,411	28 280	13·5	1		*F*	52,889	35,882	13·2	—	104
S	43,508	28,141	13·4	2		*M*					

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments became due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1 %; hitherto this bank was outside the normal credit control arrangements. [5] Adjustments to supplementary deposits arising from mid-November figures are made after the mid-December reporting date. The amount due, however, was £19m.







[1]Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares: 1 July 1935=100 — Price index	Dividend yield	Earnings yield[7]
1969		8	7·80	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/4 – 9 1/2	11 5/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7 1/2	7	5	7 1/4 – 7 3/8	7 3/8–7 5/8	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4 1/2 – 4 3/8	4 1/2	2 1/2	4 3/8 – 4 1/2	4 3/8 – 4 1/2	5 3/8	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8 3/4	7 1/2	5 1/2	8 5/8 – 9 1/16	8 1/4– 9 1/16	5 1/4	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16 1/8	13	9 1/2	16 1/16–16 5/16	15 3/4 –16	10 3/8	7·50	10·85	435·6	4·12	..
1974		11 1/2	11·30	13 1/2	12	9 1/2	12 1/2 –12 1/2	12 3/8 –12 3/4	10 1/2	7·50	14·95	251·2	8·23	21·47
1975		11 1/2	10·93	11 1/2 –11 3/8	11	7	11 7/16–11 7/16	11 –11 1/8	6 7/16	7·00	14·66	311·0	6·81	19·49
1976		14 1/2	13·98	14 3/4 –15	14	11	14 1/4 –14 3/8	14 1/16–14 1/4	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7	6·39	6 3/4	6 3/4–7 1/2	3 1/2–4 1/2	6 9/16– 6 3/4	6 3/4 – 6 7/16	7 1/8	6·00	12·32	452·3	5·42	16·50
1978		12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 7/16–12 3/8	12 3/8 –12 1/2	11 7/16	8·00	12·38	479·4	5·65	16·47
1979		17	16·49	16 1/16–17 1/16	17	15	16 1/16–17 1/16	16 1/16–16 1/2	14 1/2	10·50	11·85	419·8	7·70	18·78
1977	*J*	12 1/4	12·09	12 3/8 –13 1/8	13	9 1/2	12 1/2 –12 3/8	12 –12 1/16	5 1/2	7·80	13·67	374·7	6·01	18·69
	F	12	11·07	11 1/8	11 1/2	8	11 3/16–11 7/16	11 1/2 –11 7/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10 1/2	9·57	9 1/2 – 9 3/8	10 1/2	6 1/2	9 3/8 – 9 11/16	9 5/16– 9 3/8	5 3/32	7·80	12·85	418·2	5·39	16·91
	A	8 1/2	7·64	8 1/8	9	4 1/2	7 13/16– 8 1/16	7 1/2 – 7 5/8	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7 3/8 – 7 7/8	8 1/2	4	7 11/16– 7 11/16	7 11/16– 7 3/4	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7 7/8 – 8	8 1/2	4	7 3/4 – 8	7 3/4 – 7 13/16	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7 3/8 – 7 3/8	8 1/2	4	7 3/8 – 7 1/2	7 5/16– 7 11/16	6 1/2	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6 3/8 – 6 3/8	8	4	6 3/8 – 6 3/4	6 3/8 – 6 11/16	6 3/8	6·70	12·56	478·6	5·23	15·26
	S	6	5·37	5 13/16– 5 7/8	7	3	5 3/4 – 5 13/16	5 5/8 – 5 13/16	6 13/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4 3/4 – 5	6	3	4 5/16– 5	4 5/16– 4 5/16	7 1/2	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6 3/4	6	3	6 1/2 – 7 1/4	6 3/8 – 6 11/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7	6·39	6 3/4	6 3/4–7 1/2	3 1/2–4 1/2	6 5/16– 6 3/8	6 3/8 – 6 7/16	7 1/8	6·00	10·90	481·6	5·56	16·83
1978	*J*	6 1/2	5·85	6 1/4 – 6 5/16	6 1/2	3	6 5/16– 6 1/2	6 1/2 – 6 1/2	7 11/32	6·00	10·67	482·3	5·57	16·96
	F	6 1/2	6·07	6 3/8 – 6 3/4	6 1/2	3	6 3/8 – 6 5/8	6 3/8 – 6 3/4	7 5/16	5·50	11·21	457·9	5·85	17·74
	M	6 1/2	6·02	6 3/8 – 7	6 1/2	3	6 1/2– 7	6 1/16– 6 1/16	7 5/16	5·50	11·18	454·9	5·94	17·51
	A	7 1/2	7·12	8 – 8 1/8	7 1/2	4	8 3/16– 8 1/4	8 1/4 – 8 1/4	7 23/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9 1/2	9	6	9 5/16– 9 7/16	9 3/8 – 9 1/2	7 13/16	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9 7/8 –10 1/16	10	6 1/2–7	10 1/16–10 1/8	9 15/16–10 1/16	8 23/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10 1/8 –10 1/2	10	6 1/2–7	9 15/16–10 3/16	9 15/16– 9 15/16	8 17/32	6·70	12·20	472·2	5·62	17·06
	A	10	9·03	9 1/2 – 9 3/8	10	6 1/2–7	9 7/16– 9 3/8	9 7/16– 9 7/16	8 25/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9 3/8 – 9 1/2	10	6 1/2–7	9 7/16– 9 11/16	9 1/2 – 9 3/8	9 7/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10 3/4 –10 7/8	10	6 1/2–7	10 3/4 –11 1/16	10 11/16–11	11 9/32	6·70	12·42	497·5	5·42	15·09
	N	12 1/2	11·91	12 7/16–12 1/2	12 1/2	10	12 1/16–12 1/2	12 1/16–12 3/16	11 3/8	6·70	12·63	476·9	5·86	15·86
	D	12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 7/16–12 3/8	12 3/8 –12 1/2	11 11/16	8·00	12·38	482·4	5·98	15·73
1979	*J*	12 1/2	12·46	13	12 1/2	10	13 –13 1/8	12 7/16–12 11/16	10 31/32	8·00	12·51	474·1	6·10	16·01
	F	14	12·61	13 1/2 –13 3/8	13 1/2	11	12 7/8 –13 3/16	12 11/16–13	10 17/32	8·00	12·63	460·2	6·18	16·16
	M	13	11·78	12 3/8 –12 1/2	13	10 1/2	12 1/16–12 3/16	12 –12 1/8	10 5/16	8·00	11·36	511·5	5·53	14·54
	A	12	11·61	11 13/16–12	12	9 1/2	11 3/4 –11 13/16	11 5/16–11 1/16	11 1/16	8·00	10·68	537·4	5·37	14·31
	M	12	11·79	11 13/16–12	12	9 1/2	11 11/16–11 13/16	11 3/8 –11 1/2	10 5/16	8·00	11·02	528·5	5·56	14·90
	J	14	13·71	14 –14 1/4	14	11 1/2	13 13/16–14 1/8	13 13/16–13 15/16	11	8·00	11·39	489·5	5·93	15·82
	J	14	13·82	14 1/16–14 1/8	14	11 1/2	14 –14 1/8	13 15/16–14 1/16	11 1/16	8·00	10·88	468·3	6·62	16·92
	A	14	13·77	14 1/4	14	11 1/2	14 1/16–14 3/16	14 1/16–14 1/4	12 7/16	8·75	10·54	467·2	6·95	17·46
	S	14	13·88	14 1/4	14	11 1/2	14 1/8 –14 3/16	13 15/16–14 1/8	12 7/8	8·75	10·75	468·4	6·95	17·75
	O	14	13·83	14 1/4 –14 3/8	14	11 1/2	14 3/16–14 1/2	14 1/4 –14 3/8	15 13/32	8·75	11·07	465·4	7·13	17·55
	N	17	16·8	16 7/8	17	15	16 3/4 –16 15/16	16 3/8 –16 3/4	14 5/16	8·75	11·86	415·9	7·88	19·07
	D	17	16·49	16 13/16–17 1/16	17	15	16 13/16–17 1/16	16 11/16–16 7/8	14 1/2	10·50	11·85	419·8	7·70	18·78
1980	*J*	17	16·38	17 1/16 –17 3/16	17	15	17 1/16 –17 1/16	17 1/8 –17 1/16	14 13/32	10·50	11·41	440·7	7·43	18·42
	F	17	16·74	18 1/16 –18 3/16	17	15	18 1/16–18 1/4	18 –18 1/16	16 31/32	10·50	11·76	467·1	7·21	17·42
	M													

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

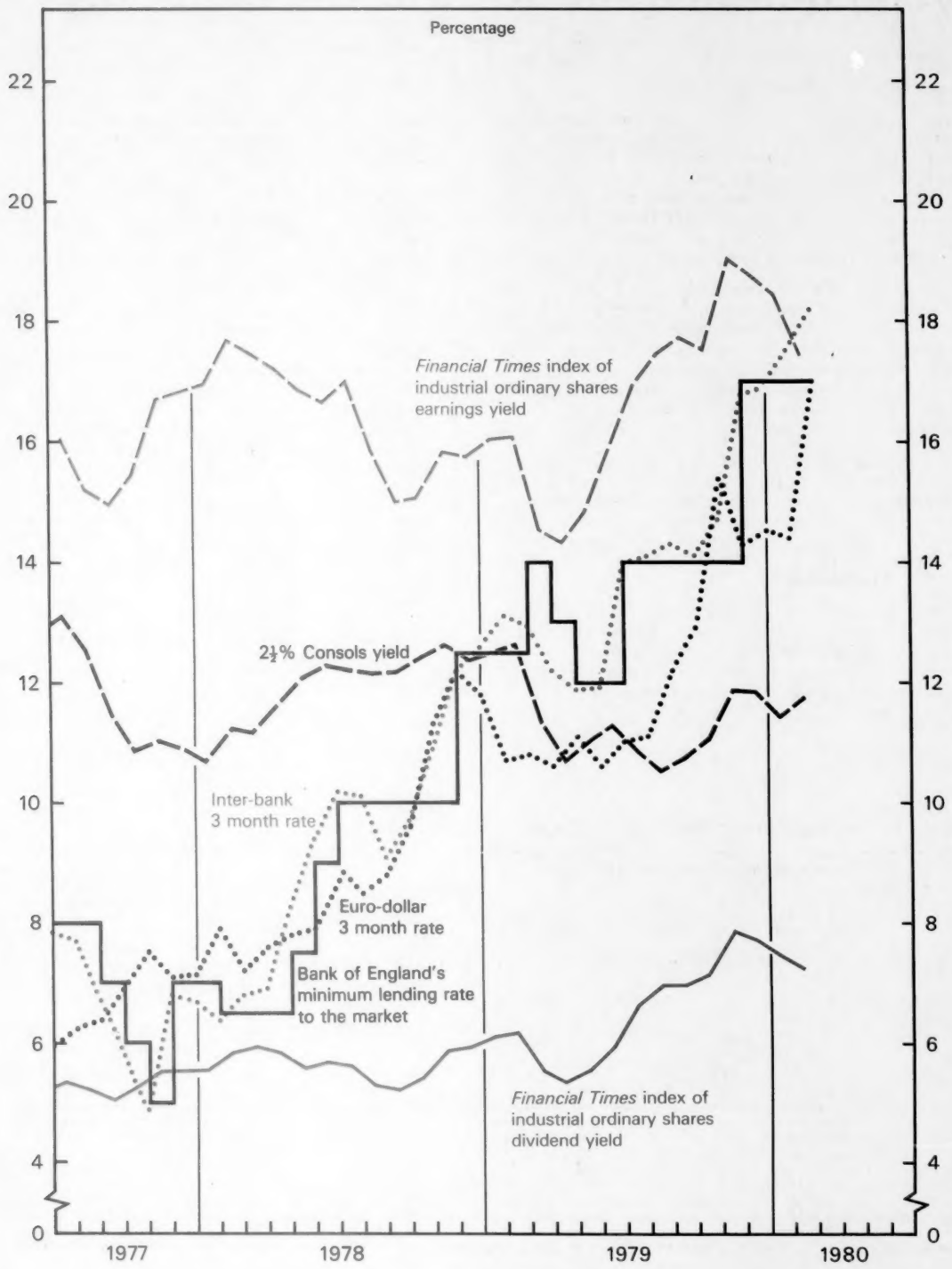
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
22
20
18
16
14
12
10
8
6
4
0
1977
1978
1979
1980
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Inter-bank 3 month rate
Euro-dollar 3 month rate
Bank of England's minimum lending rate to the market
Financial Times index of industrial ordinary shares dividend yield

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 14 March 1980)

The composite index of *longer leading* indicators rose slightly in February as a strong rise in the FT–Actuaries 500 share index offset a further upward movement in short-term interest rates. Housing starts fell back in January. Although the index has been broadly flat for three months it is too soon to talk of a turning point: not all the components of the index are available and there are not, as yet, sufficient observations for making an assessment.

The composite index of *shorter leading* indicators, fell in January, as expected: indeed, with the inclusion of bankruptcies which rose in the fourth quarter (but are inverted in the index) the index now falls steadily from May 1979. New car registrations and the smoothed series for new credit extended fell quite sharply in January; wages and salaries per unit of output continued to rise in November (but are inverted in the index).

The composite index of *coincident* indicators fell back slightly in January as the sustained buoyancy of retail sales was offset by an increase in the balance of firms reporting below capacity working in the CBI survey (inverted in the index). The index of manufacturing production fell in January reflecting the early effects of the dispute at the British Steel Corporation.

The composite index of *lagging* indicators fell again in February as unemployment rose (inverted in the index) and notified vacancies fell. The latest values of other components have not altered the shape or direction of recent movements in this index, which recorded a peak in August 1979.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

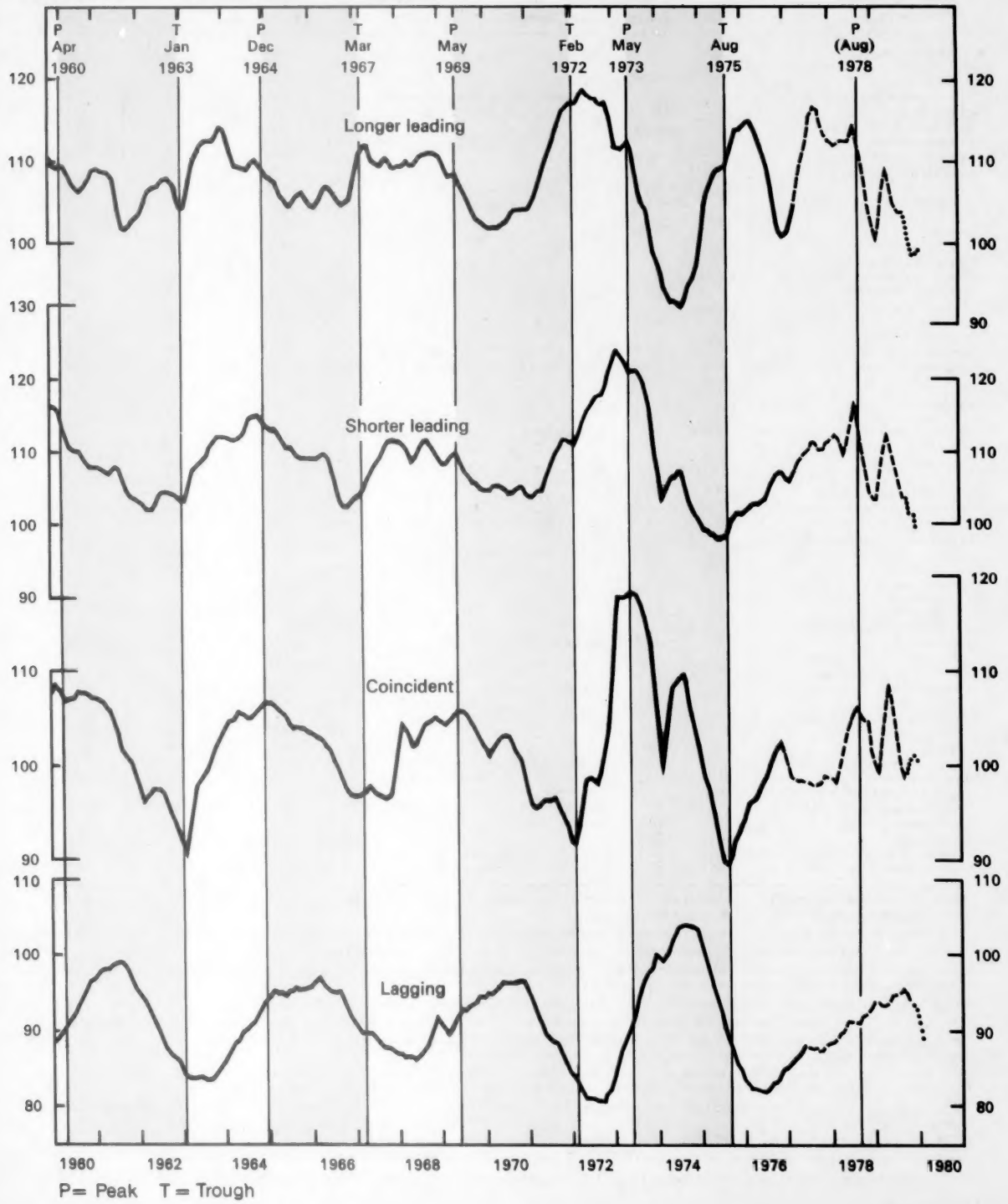
	Most recent values[2] January 1975 = 100												Lead (−) or lag (+) in months relative to reference cycle dates		
	1979										1980				
	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mean	Earliest	Latest
Longer leading ..	103·5	107·1	108·9	106·7	104·7	103·6	103·5	102·7	100·2	98·4	98·6	99·1	−13	−23	−5
	4	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*3*	*2*			
Shorter leading ..	107·3	110·2	112·4	110·6	108·6	105·2	103·5	103·5	101·5	101·4	99·8		−5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*3*	*2*				
Coincident ..	102·7	105·7	108·1	106·4	103·7	99·8	98·5	99·5	100·7	101·1	100·4		+1	− 3	+ 5
	6	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*3*	*3*	*3*				
Lagging	93·1	93·7	94·2	94·8	94·8	95·4	94·7	94·1	93·5	93·0	91·0	89·0	+12	+5	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

Cyclical indicators

Composite indices of indicator groups. January 1975 =100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1979	1·4	0·9	0·9	1·1	2	0·5
Income based	6	" " " " " " "	1·3	0·7	0·9	0·8	1	0·8
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·1	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·2	0·8	0·9	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	1·7	1·3	1·0	1·4	2	0·5
Manufacturing industry	18	" " " " " " "	3·5	2·3	2·3	1·0	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*245·0*	*174·8*	*133·1*	1·3	2	0·6
Manufacturing	22	" " " " " " "	*129·2*	*83·8*	*81·0*	1·0	2	0·5
Exports: goods and services	8	" " " " " " "	3·4	2·6	1·8	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	3·1	2·4	1·7	1·4	2	0·6
Personal disposable income	10	" " " " " " "	1·7	1·2	1·2	1·0	1	1·0
Other national income series								
Gross trading profits of companies	60	" " " " " " "	4·8	3·0	3·7	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1979	2·3	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	56	1st quarter 1971 to 2nd quarter 1979	*367·4*	*321·6*	*197·6*	1·6	2	0·5
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1978	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	3	1·0
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·4	5·4	6	0·9
Durable goods shops	12	" " " " "	1·9	1·6	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	0·9
Cars: new registrations	12	January 1971 to December 1978	8·1	7·8	1·7	4·6	5	1·0
Housing: public authorities[4]								
Starts	20	January 1956 to December 1979	11·9	11·6	1·7	6·8	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing; private								
Starts	20	" " " " "	8·6	8·3	2·4	3·5	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to April 1979	1·1	1·0	0·5	1·9	3	0·7
Manufacturing industries	26	" " " " "	1·4	1·3	0·5	2·5	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1978	12·8	12·8	1·5	8·7	6	
Export	32	" " " " "	11·8	11·6	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·5	6·0	6	
Export	32	" " " " "	10·4	10·2	1·5	7·0	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to December 1979	*13·2*	*4·5*	*11·9*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to December 1979	*5·8*	*2·4*	*5·2*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1978	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	48	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	48	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and C are differences in units of £ million.

Articles

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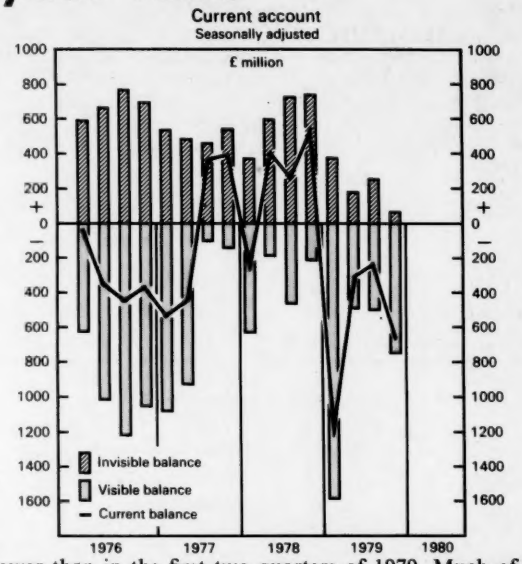
United Kingdom balance of payments in the fourth quarter and year 1979

SUMMARY

The *current account* (seasonally adjusted) showed a deficit of £674 million in the fourth quarter bringing the deficit for 1979 as a whole to £2,437 million. This contrasts with the surplus of £932 million in 1978. Both visible trade and invisibles contributed to the deterioration. The deficit on visible trade increased by £1·8 billion and the surplus on invisibles fell by £1·5 billion.

The available information on invisibles points to a surplus of £71 million in the fourth quarter, with a surplus of £921 million on the transactions of the private sector and public corporations and a deficit on government transactions. The main feature of the fourth quarter figures is a deterioration in the balance on interest payments in the eurocurrency market. The surplus on invisibles, for 1979 as a whole, of £875 million compares with surpluses of over £2 billion in both 1977 and 1978. The surplus for the private sector and public corporations (excluding transfers) fell from £5,534 million in 1978 to £4,487 million in 1979 primarily because the profits of overseas oil companies in the United Kingdom increased sharply, though the balances on several other categories of earnings also moved unfavourably. With higher contributions to the European Community budget and higher aid payments abroad, the deficit on government transfers increased by £335 million.

The surplus of some £460 million on *capital account* in the fourth quarter (including unidentified transactions) was a little higher than in the previous quarter, but considerably lower than in the first two quarters of 1979. Much of the impact of the relaxation of exchange controls shows up in the large net repayments of foreign currency borrowing used to finance overseas investment. In total, the outflows in the second half of the year, as a result of the lifting of controls, probably amounted to about £2 billion, with roughly the same amounts in the third and fourth quarters.



Summary balance of payments

TABLE A

	£ million										
				1978				1979			
	1977	1978	1979	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
				Seasonally adjusted							
Visible trade (balance)	−2,239	−1,493	−3,312	−633	− 186	−468	−206	−1,588	− 486	−493	−745
Invisibles (balance):											
Services	+2,960	+3,275	+3,070	+736	+ 713	+893	+933	+ 674	+ 732	+852	+812
Interestrsprofits and dividends	+ 201	+1,061	+ 207	+167	+ 321	+341	+232	+ 211	+ 17	+ 57	− 78
Transfe,	−1,146	−1,911	−2,402	−540	− 436	−510	−425	− 512	− 573	−654	−663
Total	+2,015	+2,425	+ 875	+363	+ 598	+724	+740	+ 373	+ 176	+255	+ 71
CURRENT BALANCE	−224	+ 932	−2,437	−270	+ 412	+256	+534	−1,215	− 310	−238	−674
				Not seasonally adjusted							
Current balance	− 224	+ 932	−2,437	−447	+ 317	+446	+616	−1,401	− 471	− 77	−488
Investment and other capital transactions	+4,406	−3,199	+3,525	+ 18	−2,028	−248	−941	+ 798	+1,420	+573	+734
Balancing Item	+3,179	+1,141	+ 623	+602	+ 217	+ 12	+310	+1,288	− 191	−198	−276
BALANCE FOR OFFICIAL FINANCING	+7,361	−1,126	+1,711	+173	−1,494	+210	− 15	+ 685	+ 758	+298	− 30
Allocation of SDR's	—	—	+ 195	—	—	—	—	+ 195	—	—	—
Official financing											
Official reserves (drawings on, +: additions to, −)	−9,588	+2,329	−1,059	+ 46	+2,026	− 54	+311	− 955	− 68	−152	+116
Other official financing	+2,227	−1,203	− 847	−219	− 532	−156	−296	+ 75	− 690	−146	− 86

At the same time the inflows from private overseas residents into sterling deposits and British Government stocks were much more substantial than in the earlier quarters of 1979.

Over 1979 as a whole, sterling deposits and British Government stocks held by private non-residents rose by £3·6 billion. There was a surplus of £4·1 billion on the capital account as a whole (including unidentified transactions) following a deficit of £2·1 billion in 1978. Net repayments of official financing liabilities in 1979 totalled over £0·8 billion and the reserves increased by over £1 billion.

DETAIL

Visible trade

TABLE B (See also Appendix Table 2)

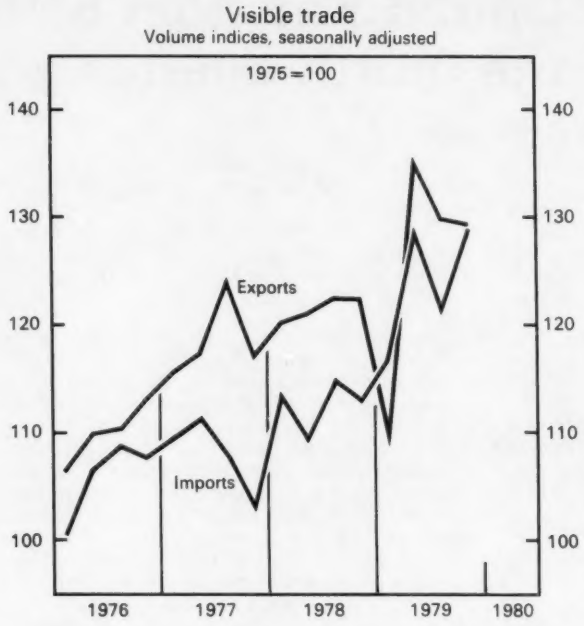
	Seasonally adjusted			
			1979	
	1978	1979	3rd qtr	4th qtr
Value (£ million)				
Exports	35,071	40,689	10,641	11,017
Imports	36,564	44,001	11,134	11,762
Visible balance ..	−1,493	−3,312	−493	−745
Volume (1975 = 100)				
Exports	121·5	125·9	129·8	129·3
Imports	112·6	125·7	128·1	128·9

The increase of £252 million in the deficit on visible trade in the fourth quarter of 1979 stemmed largely from a deterioration in the terms of trade. Export prices rose by 3 per cent while import prices, due to the lower level of sterling, rose by over 6 per cent. The volumes of exports and imports changed only marginally.

The deficit on visible trade in 1979 as a whole, at £3·3 billion, was more than double the 1978 figure. An improvement of £1·2 billion in the deficit on oil trade was more than offset by the deterioration of £3 billion in the balance on other trade. Much of this resulted from a 15 per cent increase in the volume of manufactured imports, which rose sharply in the second quarter and remained high for the rest of the year. The increase of 3½ per cent in the volume of exports between 1978 and 1979 reflected mainly increased exports of oil. Other exports were affected by the loss of trade with Iran and Nigeria (deliveries to these countries were £1 billion down in value compared to 1978); excluding the erratic items*, exports in the fourth quarter were only ½ per cent higher in volume than in the fourth quarter of 1978.

Further details on visible trade have been published in the 14 and 21 March issues of *British business*.

* Ships, North Sea installations, aircraft, precious stones.



Invisibles

TABLE C

	Seasonally adjusted			
	£ million			
			1979	
	1978	1979	3rd qtr	4th qtr
Credits	18,617	21,012	5,451	5,567
Debits	16,192	20,137	5,196	5,496
Balance	+2,425	+875	+255	+71
Of which:				
Private sector and public corporations: services and IPD	+5,534	+4,487	+1,174	+1,056
General government transactions and private transfers	−3,109	−3,612	−919	−985

There was a smaller surplus in the fourth quarter than in previous quarters with a sharp fall in the balance on interest payments in the eurocurrency market while the debits on some services have risen more than the credits. For 1979 as a whole the decline of some £1·5 billion in the invisibles surplus was primarily because of the sharp increase in the profits of the overseas oil companies and the higher interest payments on sterling balances.

Services

TABLE D (See also Appendix Table 3)

	Seasonally adjusted			
	£ million			
			1979	
	1978	1979	3rd qtr	4th qtr
Credits				
Government	318	329	88	97
Sea transport	3,171	3,442	867	919
Civil aviation	1,442	1,701	448	542
Travel	2,502	2,764	694	735
Financial services	1,488	1,554	408	403
Other services	3,329	3,677	943	957
Total	12,250	13,467	3,448	3,653
Volume: total services credits (1975 =100)	*111·1*	*108·5*	*109·5*	*110·6*
Debits				
Government	1,017	1,162	282	311
Sea transport	3,334	3,748	954	1,016
Civil aviation	1,158	1,456	365	393
Travel	1,548	2,101	528	589
Other services	1,918	1,930	467	532
Total	8,975	10,397	2,596	2,841
Volume: total services debits (1975 =100)	*96·8*	*105·2*	*106·3*	*108·4*
Balance	+3,275	+3,070	+852	+812
Of which:				
Private sector and public corporations	+3,974	+3,903	+1,046	+1,026
General government	−699	−833	−194	−214

Sea transport

Earnings from sea transport in 1979 were higher than in 1978 because of an increase in freight rates. Activity in real terms declined in line with the reduction in the size of the UK fleet. At the same time payments to overseas shipping operators increased at a faster rate because of the higher volume of goods imported into the United Kingdom.

Civil aviation

During 1979 civil aviation earnings benefited from the higher prices paid by overseas airlines for fuel bought in the United Kingdom, but UK airlines' receipts were static; the number of visitors to the United Kingdom by air remained more or less at 1978 levels and the UK airlines' price increases on tickets sold overseas were offset by the appreciation of sterling over the year as a whole. The increase in UK airlines' revenue in the fourth quarter reflects an increase in fares in September.

On the debit side UK airlines' disbursements abroad in 1979 showed a rise, although the increase in fuel prices abroad was somewhat cushioned by exchange rate movements. The large growth in overseas airlines' revenue throughout the year reflected almost equally a rise in the number of UK residents travelling abroad and fare increases.

Travel

Preliminary estimates suggest that the numbers of overseas visitors in the fourth quarter and for the year as a whole were similar to those in 1978. This combined with an increase in expenditure per visit, which was smaller than the rate of inflation, resulted in a fall in travel earnings in real terms.

The marked increase compared with 1978 in the numbers of UK residents travelling abroad continued into the fourth quarter, as did the rise in expenditure per visit, even after allowing for changes in the sterling level of overseas prices. Travel debits for the whole of 1979 are therefore thought to be nearly 30 per cent up on the previous year's figures in real terms. The surplus in current prices of around £660 million is around two-thirds of that achieved in 1978, which was itself down on the record figure for 1977.

Other services

A substantial part of the improvement during 1979 in the balance on "other services" is associated with North Sea oil and gas activities. Payments for such services have continued to decline reflecting the lower level of exploration and a fall in the volume of work placed overseas. There has been a rise in expenditure in the United Kingdom of foreign governments and overseas students. There continues to be substantial overseas earnings of consulting engineers, contractors, architects and quantity surveyors.

Government services

In the fourth quarter, there was higher military expenditure in real terms, while unfavourable exchange rate movements increased the sterling cost of it especially in Germany. This increase in expenditure was slightly offset by a higher contribution from the German government towards the cost of maintaining British troops there.

Interest, profits and dividends

Oil companies' earnings

In the fourth quarter there appears to have been some reduction in earnings of both UK oil companies from overseas operations and foreign oil companies in the United Kingdom. Supply shortages, which had led to increased margins earlier in the year, had eased and stock appreciation made a somewhat smaller contribution to profits. Overseas companies' earnings from operations on the UK Continental Shelf also fell slightly, affected by the restrictions on gas flaring and hence a slight drop in oil production. 1979 as a whole was characterised by much higher oil prices than 1978 and increased margins with the result that both foreign and UK oil companies' profits rose strongly, though part of this rise represented stock appreciation. On-shore operations, particularly refining and chemical production in the United Kingdom, made a substantially increased contribution to profits in 1979, partly as a result of increased investment.

Other direct investment earnings

There was some indication of a downturn in UK companies' earnings on their overseas direct investment towards the end of 1979, possibly reflecting the slowing down in the rate of growth of industrial activity in the USA in particular. Profits due to overseas parent companies on

Interest, profits and dividends

TABLE E (See also Appendix Table 4)

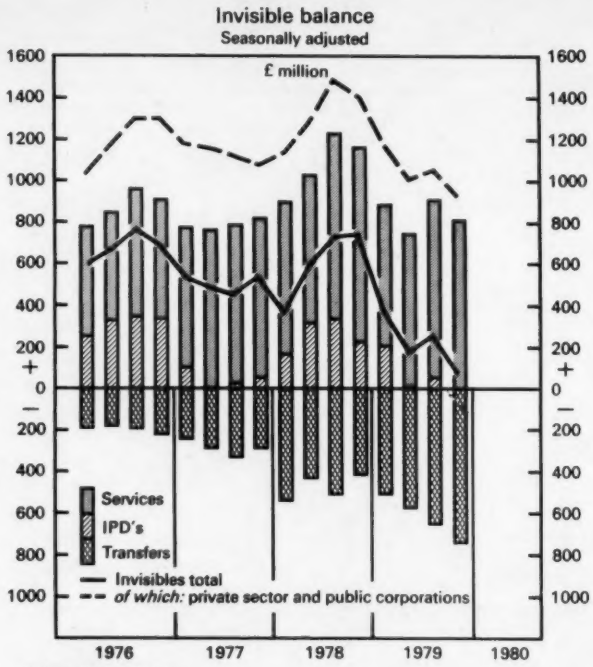
	Seasonally adjusted £ million			
			1979	
	1978	1979	3rd qtr	4th qtr
Credits				
Direct[1]	2,433	2,700	706	671
Portfolio	288	323	86	79
Export credit and £ lending by UK banks	567	734	183	197
Foreign currency borrowing and lending by UK banks (balance)	346	−6	13	−76
Other	1,642	2,634	722	719
Total	5,276	6,385	1,710	1,590
Debits				
Direct[1]	1,445	1,494	345	402
Portfolio	601	589	161	157
Sterling liabilities	501	858	242	255
Overseas currency borrowing by general government	522	576	124	163
Oil companies	557	1,979	618	515
Other	589	682	163	176
Total	4,215	6,178	1,653	1,668
Balance	+1,061	+207	+57	−78
of which:				
Private sector and public corporations	+1,560	+584	+128	+30
General government	−499	−377	−71	−108

[1] Excluding earnings of oil companies.

their UK operations moved erratically during 1979 as a result of the road haulage dispute in the first quarter, the VAT changes following the June budget and the engineering dispute later in the year; however, they showed little growth for the year as a whole.

Other IPD credits

The most marked change in 1979 compared with 1978 was in net earnings by UK banks on their foreign currency borrowing and lending; these fell very sharply and had moved into deficit by the end of the period. Margins on eurocurrency operations fell while net external liabilities rose from mid-1978 until fairly late in 1979 as UK banks switched into sterling. On the other hand interest earned by UK banks on their lending in sterling rose strongly in 1979, largely reflecting rising interest rates. Earnings on the United Kingdom's official reserves of foreign currency also rose; the level of the reserves was higher than in 1978 and interest rates were also higher, but the strength of sterling during 1979 had some offsetting effect on the sterling value of earnings.



Other IPD debits

The very sharp rise in interest rates in the United Kingdom in the middle of the fourth quarter resulted in higher interest payments on sterling liabilities. In particular, interest on current and deposit accounts with UK banks rose further; in 1979 it was nearly double the 1978 figure, partly reflecting the substantial capital inflows over the past year. Interest due abroad on United Kingdom residents' borrowing from banks, etc, overseas also continued to rise with higher interest rates in the fourth quarter particularly in the USA. However, charges paid to the IMF on official borrowing were almost 50 per cent lower in 1979 than in 1978 as a result of repayments of debt during 1978 and 1979.

Transfers

TABLE F (See also Appendix Table 5)

	Seasonally adjusted £ million			
			1979	
	1978	1979	3rd qtr	4th qtr
Credits				
Private	630	618	149	157
Government – EEC	461	542	144	167
Debits				
Private	848	992	275	292
Government – EEC	1,367	1,625	432	444
– Grants	421	490	139	141
– Other	366	455	101	110
Balance	−1,911	−2,402	−654	−663

The contribution made during 1979 to the budget of the European Communities was higher than in 1978, but the increase was partially offset by higher receipts from the budget. In 1979 the total net contribution to the budget (comprising items within both transfers and services) was £971 million compared with £815 million in 1978.

The relaxation of exchange control restrictions in June led to an increase in transfers by emigrants in the third quarter and this is thought to have been followed by a further increase after the abolition of controls in October.

Investment and other capital transactions

TABLE G (See also Appendix Table 6)

	Not seasonally adjusted			
	£ million			
			1979	
	1978	1979	3rd qtr	4th qtr
Official long-term capital	− 336	− 401	− 65	− 222
Overseas investment in:				
UK public sector ..	− 80	+ 943	+ 425	+ 226
UK private sector ..	+2,678	+3,305	+ 678	+ 729
UK private investment overseas	−4,268	−5,038	−1,650	− 874
UK banks' external foreign currency transactions	− 519	+1,458	+ 626	− 487
Changes in external £ liabilities	+ 182	+3,337	+ 863	+1,414
Trade credit	− 442	− 300	+ 69	− 100
Other short-term transactions	− 414	+ 221	− 373	+ 48
Total investment and other capital transactions	−3,199	+3,525	+573	+ 734

The remaining exchange controls were abolished in October (apart from some affecting Rhodesia which remained until December). The source of a number of balance of payments statistics disappeared with them, so some of the fourth quarter estimates are insecurely based. It is apparent however that, as in the third quarter, substantial capital outflows following the various exchange control changes since June were more than offset by strong inflows into sterling.

It seems likely that the exceptionally high level of repayments of foreign currency borrowing through UK banks for *direct* investment overseas tailed off somewhat in the fourth quarter but was still substantial compared with the period before controls on financing of direct investment were relaxed in June and July. Repayments of borrowing directly from overseas sources may have continued at much the same rate as in the third quarter. (These are recorded within "overseas investment in the UK private sector" in Appendix Table 9.) New borrowing for direct investment was somewhat reduced and there were further outflows on account of net repayments of borrowing for *portfolio investment*. Also, following the abolition of controls in October, UK residents increased their foreign currency deposits with UK banks. Such deposits do not constitute balance of payments transactions in themselves, but in this instance were probably reflected in the banks' net lending overseas. Taking account of all these financing transactions, a very rough estimate of the total effect of exchange control changes in the second half of 1979 is about £2 billion spread evenly between the third and fourth quarters.

The exchange control changes did not appear to have a very marked effect on aggregate direct or portfolio investment overseas in either the third or fourth quarter. However, there was some rise in portfolio investment in the EEC by insurance companies and pension funds in the third quarter and in US securities in the fourth quarter.

Among fourth quarter inward investments in the United Kingdom private sector, portfolio investment was boosted by the first stages of De Beers' acquisition of Consolidated Gold Fields' shares.

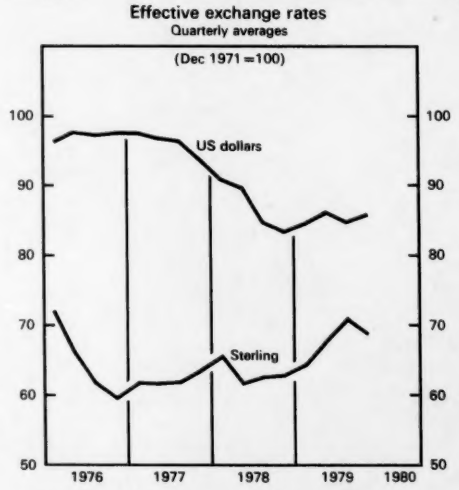
High interest rates in the United Kingdom, with a sharp increase in the middle of the fourth quarter, resulted in a further large inflow into British Government stocks and a rapid build-up of sterling deposits with UK banks. On the other hand there were indications of some switching out of sterling by UK banks. Nonetheless inflows were more than sufficient to offset the various outflows which stemmed principally from the exchange control relaxations as noted above.

For *1979 as a whole*, although the exchange control changes obviously resulted in substantial capital outflows, there was a marked change in the attractiveness of sterling and a net identified inflow on the capital account as a whole totalling £3½ billion compared with a net outflow of over £3 billion in 1978. The inflow went principally into private holdings of British Government stocks and sterling deposits with UK banks; overseas currency borrowing and lending by the banks also resulted in a large net inflow as banks were switching into sterling for much of the year.

Investment by overseas oil companies, particularly in on-shore activities in the United Kingdom, increased by about £850 million between 1978 and 1979. Most of this represented increases in retained profits for working capital. The rise in overseas investment by UK oil companies was not quite so large at around £500 million and in part reflected the reduction during the third quarter of 1979 in the credit period for oil allowed by some exporting countries. Among non-oil companies, the increase in outward direct investment was heavily influenced by the acquisition by UK banks of three US banks in the second quarter of the year involving about £500 million.

Effective exchange rates

Quarterly averages



UK Continental Shelf oil and gas programme

TABLE H (See also Appendix Table 13)

	Not seasonally adjusted			
			1979	
	1978	1979	3rd qtr	4th qtr
Volume of sales				
Gas (million terajoules)	1·5	1·5	0·2	0·4
Oil (million tonnes)	53·1	77·7	21·0	19·6
	£ million			
Value of sales				
Gas	432	538	79	167
Oil	2,805	5,699	1,641	1,738
Balance of payments entries				
Imports of goods ..	−185	− 170	− 65	− 75
Imports *less* exports of goods	−545	− 447	−110	−143
IPD due abroad ..	−572	−1,420	−388	−364
Overseas investment in UKCS	+731	+ 711	+170	+194

See footnotes to Appendix Table 13.

North Sea oil production fell back a little in the fourth quarter, as a result of very bad weather and the reintroduction of restrictions on gas flaring. However, the value of sales rose slightly as prices moved upwards. Company profits due abroad fell slightly with a smaller element of stock appreciation.

In 1979 as a whole, oil production was within the forecast range and was about 45 per cent higher than in 1978. With the sharp rise in prices between the two years this resulted in the doubling of the value of sales. Oil companies' profits also rose substantially. Investment by overseas oil companies in the Continental Shelf programme has been running at a somewhat lower level over the past year than previously. However, it was supplemented by foreign currency borrowing of over £140 million from UK banks, most of it in the first quarter to finance development of the Tartan field by Texaco.

Central Statistical Office

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APPENDIX

United Kingdom balance of payments

Summary

TABLE 1

£ million

	Seasonally adjusted						Not seasonally adjusted						
	Visible trade(balance)	Invisibles (balance)				Current balance	Current balance	Capital transfers	Investment and other capital transactions[1]	Balancing item	Balance for official financing[2]	Allocation of SDR and gold subscription to IMF	Official financing
		Services	I.P.D	Transfers	Total								
1968	− 712	+ 342	+ 336	− 238	+ 440	− 272	− 272	—	−1,010	− 128	**−1,410**	—	+1,410
1969	− 209	+ 402	+ 500	− 221	+ 681	+ 472	+ 472	—	− 175	+ 390	**+ 687**	—	− 687
1970	− 32	+ 449	+ 559	− 194	+ 814	+ 782	+ 782	—	+ 546	− 41	**+1,287**	+133	−1,420
1971	+ 190	+ 584	+ 510	− 211	+ 883	+1,073	+1,073	—	+1,791	+ 282	**+3,146**	+125	−3,271
1972	− 761	+ 648	+ 538	− 263	+ 923	+ 162	+ 162	—	− 683	− 744	**−1,265**	+124	+1,141
1973	−2,586	+ 696	+1,260	− 458	+1,498	−1,088	−1,088	−59	+ 145	+ 231	**− 771**	—	+ 771
1974	−5,350	+ 941	+1,423	− 441	+1,923	−3,427	−3,427	−75	+1,606	+ 250	**−1,646**	—	+1,646
1975	−3,333	+1,349	+ 762	− 510	+1,601	−1,732	−1,732	—	+ 126	+ 141	**−1,465**	—	+1,465
1976	−3,911	+2,207	+1,299	− 797	+2,709	−1,202	−1,202	—	−3,016	+ 589	**−3,629**	—	+3,629
1977	−2,239	+2,960	+ 201	−1,146	+2,015	− 224	− 224	—	+4,406	+3,179	**+7,361**	—	−7,361
1978	−1,493	+3,275	+1,061	−1,911	+2,425	+ 932	+ 932	—	−3,199	+1,141	**−1,126**	—	+1,126
1979	−3,312	+3,070	+ 207	−2,402	+ 875	−2,437	−2,437	—	+3,525	+ 623	**+1,711**	+195	−1,906
1971 *1*	− 67	+ 142	+ 136	− 38	+ 240	+ 173	+ 63	—	+ 563	+ 296	**+ 922**	+125	−1,047
2	+ 63	+ 123	+ 132	− 49	+ 206	+ 269	+ 341	—	+ 369	− 107	**+ 603**	—	− 603
3	+ 157	+ 155	+ 130	− 55	+ 230	+ 387	+ 381	—	+ 465	− 178	**+ 668**	—	− 668
4	+ 37	+ 164	+ 112	− 69	+ 207	+ 244	+ 288	—	+ 394	+ 271	**+ 953**	—	− 953
1972 *1*	− 107	+ 161	+ 141	− 59	+ 243	+ 136	− 13	—	− 12	+ 82	**+ 57**	+124	− 181
2	− 138	+ 181	+ 152	− 66	+ 267	+ 129	+ 241	—	− 814	− 472	**−1,045**	—	+1,045
3	− 309	+ 153	+ 134	− 72	+ 215	− 94	− 119	—	− 14	+ 54	**− 79**	—	+ 79
4	− 207	+ 153	+ 111	− 66	+ 198	− 9	+ 53	—	+ 157	− 408	**− 198**	—	+ 198
1973 *1*	− 375	+ 133	+ 150	− 106	+ 177	− 198	− 391	−38	+ 96	+ 360	**+ 27**	—	− 27
2	− 500	+ 177	+ 355	− 158	+ 374	− 126	− 48	−19	+ 425	− 259	**+ 99**	—	− 99
3	− 691	+ 176	+ 289	− 96	+ 369	− 322	− 287	− 1	− 618	+ 288	**− 618**	—	+ 618
4	−1,020	+ 210	+ 466	− 98	+ 578	− 442	− 362	− 1	+ 242	− 158	**− 279**	—	+ 279
1974 *1*	−1,263	+ 178	+ 408	− 108	+ 478	− 785	− 905	—	+ 517	+ 49	**− 339**	—	+ 339
2	−1,418	+ 226	+ 389	− 104	+ 511	− 907	− 884	−29	+ 688	− 94	**− 319**	—	+ 319
3	−1,280	+ 286	+ 316	− 99	+ 503	− 777	− 773	−40	+ 501	+ 312	**—**	—	—
4	−1,389	+ 251	+ 310	− 130	+ 431	− 958	− 865	− 6	− 100	− 17	**− 988**	—	+ 988
1975 *1*	− 931	+ 321	+ 187	− 74	+ 434	− 497	− 632	—	+ 81	+ 225	**− 326**	—	+ 326
2	− 692	+ 340	+ 147	− 153	+ 334	− 358	− 402	—	+ 78	− 248	**− 572**	—	+ 572
3	−1,013	+ 326	+ 181	− 123	+ 384	− 629	− 591	—	+ 295	+ 83	**− 213**	—	+ 213
4	− 697	+ 362	+ 247	− 160	+ 449	− 248	− 107	—	− 328	+ 81	**− 354**	—	+ 354
1976 *1*	− 629	+ 518	+ 266	− 193	+ 591	− 38	− 139	—	− 528	− 11	**− 678**	—	+ 678
2	−1,016	+ 514	+ 332	− 179	+ 667	− 349	− 395	—	−1,776	+ 215	**−1,956**	—	+1,956
3	−1,215	+ 603	+ 357	− 197	+ 763	− 452	− 360	—	− 670	+ 168	**− 862**	—	+ 862
4	−1,051	+ 572	+ 344	− 228	+ 688	− 363	− 308	—	− 42	+ 217	**− 133**	—	+ 133
1977 *1*	−1,080	+ 671	+ 106	− 243	+ 534	− 546	− 680	—	+1,668	+ 925	**+1,913**	—	−1,913
2	− 923	+ 765	+ 1	− 285	+ 481	− 442	− 483	—	+ 191	+1,200	**+ 908**	—	− 908
3	− 97	+ 759	+ 37	− 333	+ 463	+ 366	+ 518	—	+1,234	+ 856	**+2,608**	—	−2,608
4	− 139	+ 765	+ 57	− 285	+ 537	+ 398	+ 421	—	+1,313	+ 198	**+1,932**	—	−1,932
1978 *1*	− 633	+ 736	+ 167	− 540	+ 363	− 270	− 447	—	+ 18	+ 602	**+ 173**	—	− 173
2	− 186	+ 713	+ 321	− 436	+ 598	+ 412	+ 317	—	−2,028	+ 217	**−1,494**	—	+1,494
3	− 468	+ 893	+ 341	− 510	+ 724	+ 256	+ 446	—	− 248	+ 12	**+ 210**	—	− 210
4	− 206	+ 933	+ 232	− 425	+ 740	+ 534	+ 616	—	− 941	+ 310	**− 15**	—	+ 15
1979 *1*	−1,588	+ 674	+ 211	− 512	+ 373	−1,215	−1,401	—	+ 798	+1,288	**+ 685**	+195	− 880
2	− 486	+ 732	+ 17	− 573	+ 176	− 310	− 471	—	+1,420	− 191	**+ 758**	—	− 758
3	− 493	+ 852	+ 57	− 654	+ 255	− 238	− 77	—	+ 573	− 198	**+ 298**	—	− 298
4	− 745	+ 812	− 78	− 663	+ 71	− 674	− 488	—	+ 734	− 276	**− 30**	—	+ 30

[1] Includes EEA loss on forward commitments in 1968.

[2] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDR'S.

Visible trade in the balance of payments

TABLE 2

	£ million						1975=100				
	Not seasonally adjusted		Seasonally adjusted				Seasonally adjusted		Not seasonally adjusted		
	Balance of payments		Overseas trade statistics		Balance of payments		Volume indices		Unit value indices		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (c.i.f.)	Exports (f.o.b.)	Imports (f.o.b.)	Exports	Imports	Exports	Imports	Terms of trade[1]
1968	6,433	7,145	6,442	7,900	6,433	7,145	70·9	76·3	46·1	39·8	115·7
1969	7,269	7,478	7,352	8,317	7,269	7,478	77·8	77·1	47·6	41·1	115·9
1970	8,151	8,183	8,170	9,163	8,151	8,183	81·1	81·8	50·8	42·8	118·8
1971	9,043	8,853	9,289	9,980	9,043	8,853	85·9	85·5	53·7	44·8	119·8
1972	9,423	10,184	9,906	11,301	9,423	10,184	85·6	95·2	56·8	46·9	121·1
1973	11,937	14,523	12,657	16,067	11,937	14,523	97·2	108·4	64·0	60·0	106·8
1974	16,395	21,745	16,910	23,513	16,395	21,745	104·2	109·5	81·6	87·7	93·1
1975	19,330	22,663	20,198	24,431	19,330	22,663	100·0	100·0	100·0	100·0	100·0
1976	25,193	29,104	26,162	31,584	25,193	29,104	109·9	105·9	119·6	122·1	98·0
1977	31,734	33,973	33,331	36,978	31,734	33,973	118·4	107·9	141·5	141·4	100·1
1978	35,071	36,564	37,382	40,930	35,071	36,564	121·5	112·6	155·1	147·0	105·5
1979	40,689	44,001	42,804	48,467	40,689	44,001	125·9	125·7	171·9	162·3	105·9
1971 *1*	2,029	2,196	2,084	2,406	2,073	2,140	80·4	84·5	52·2	43·4	120·3
2	2,371	2,264	2,359	2,517	2,317	2,254	88·9	86·3	53·1	45·1	117·7
3	2,258	2,120	2,419	2,496	2,347	2,190	88·2	83·9	54·3	45·5	119·2
4	2,385	2,273	2,427	2,561	2,306	2,269	86·1	87·1	55·0	45·1	122·0
1972 *1*	2,238	2,470	2,381	2,643	2,257	2,364	84·1	90·9	55·3	45·0	122·9
2	2,445	2,492	2,453	2,747	2,335	2,473	85·9	95·1	56·0	45·5	122·9
3	1,981	2,322	2,213	2,696	2,112	2,421	75·7	89·8	57·7	47·6	121·2
4	2,759	2,900	2,859	3,215	2,719	2,926	96·6	104·9	58·1	49·4	117·7
1973 *1*	2,719	3,272	2,872	3,399	2,718	3,093	93·5	104·5	60·6	52·4	115·5
2	2,960	3,400	3,030	3,753	2,870	3,370	95·6	105·9	62·4	56·4	110·6
3	2,924	3,585	3,275	4,220	3,093	3,784	99·2	109·5	65·0	62·5	103·9
4	3,334	4,266	3,480	4,695	3,256	4,276	100·5	113·8	68·2	68·6	99·4
1974 *1*	3,585	4,936	3,705	5,282	3,594	4,857	100·9	108·0	74·0	78·6	94·2
2	4,183	5,587	4,202	6,014	4,099	5,517	106·1	111·2	80·1	88·1	90·9
3	4,165	5,455	4,527	6,083	4,360	5,640	107·4	110·6	84·1	90·7	92·7
4	4,462	5,767	4,476	6,134	4,342	5,731	102·3	108·2	88·1	93·2	94·5
1975 *1*	4,488	5,508	4,823	6,004	4,660	5,591	100·9	102·1	95·2	96·5	98·7
2	4,821	5,551	4,758	5,662	4,577	5,269	97·1	95·7	97·5	97·1	100·4
3	4,648	5,652	5,035	6,283	4,819	5,832	98·0	102·4	101·6	100·8	100·8
4	5,373	5,952	5,582	6,482	5,274	5,971	104·0	99·8	105·7	105·6	100·1
1976 *1*	5,672	6,310	5,818	6,767	5,608	6,237	106·4	100·4	109·6	110·3	99·3
2	6,257	7,279	6,337	7,757	6,105	7,121	109·8	106·6	115·8	118·9	97·4
3	6,145	7,356	6,652	8,211	6,447	7,662	110·2	108·8	122·8	124·9	98·3
4	7,119	8,159	7,355	8,849	7,033	8,084	113·1	107·6	130·3	134·2	97·1
1977 *1*	7,488	8,566	7,755	9,144	7,428	8,508	115·4	109·5	134·9	137·1	98·4
2	8,004	8,893	8,288	9,609	7,827	8,750	117·2	111·2	140·6	140·8	99·8
3	8,116	8,259	8,803	9,243	8,423	8,520	124·1	107·9	144·3	143·5	100·6
4	8,126	8,255	8,485	8,982	8,056	8,195	116·9	102·9	146·4	143·9	101·7
1978 *1*	8,210	8,916	8,970	9,892	8,390	9,023	120·1	113·6	149·2	142·1	105·0
2	9,120	9,298	9,177	10,138	8,676	8,862	121·0	109·1	153·3	146·7	104·5
3	8,502	8,969	9,481	10,452	8,933	9,401	122·5	115·0	157·2	148·3	106·1
4	9,239	9,381	9,754	10,448	9,072	9,278	122·5	112·9	160·7	151·0	106·5
1979 *1*	8,428	10,089	9,015	11,095	8,373	9,961	109·0	116·9	165·8	154·9	107·0
2	10,794	11,339	10,945	12,182	10,658	11,144	135·3	128·9	169·1	158·9	106·4
3	10,108	10,622	11,102	12,163	10,641	11,134	129·8	128·1	173·6	162·6	106·8
4	11,359	11,951	11,742	13,027	11,017	11,762	129·3	128·9	179·1	172·8	103·7

[1] Export unit value index as a percentage of the import unit value index.

Services: credits

TABLE 3

	£ million											1975 =100
	Private sector and public corporations								General government			
	Sea transport										Total services credits at current prices	Volume indices: total services credits
	Dry cargo	Tankers	Total	Civil aviation	Travel	Financial services	Other services	Total	EEC institutions	Other	Total	
1971	731	884	1,615	354	500	471	925	3,865	—	59	59	3,924	82·8
1972	799	808	1,607	410	576	529	1,041	4,163	—	72	72	4,235	86·7
1973	977	1,078	2,055	480	726	601	1,220	5,082	13	91	104	5,186	92·2
1974	1,401	1,257	2,658	625	898	777	1,503	6,461	19	91	110	6,571	98·1
1975	1,503	1,131	2,634	780	1,218	1,014	1,895	7,541	32	107	139	7,680	100·0
1976	1,846	1,363	3,209	1,049	1,768	1,286	2,470	9,782	44	171	215	9,997	107·2
1977	2,089	1,339	3,428	1,203	2,352	1,371	2,987	11,341	76	164	240	11,581	111·1
1978	1,998	1,173	3,171	1,442	2,502	1,488	3,329	11,932	91	227	318	12,250	111·1
1979	2,027	1,415	3,442	1,701	2,764	1,554	3,677	13,138	112	217	329	13,467	108·5
Unadjusted													
1975 *1*	363	266	629	155	189	222	451	1,646	5	42	47	1,693	95·2
2	384	273	657	184	265	253	456	1,815	9	24	33	1,848	97·7
3	387	283	670	247	488	244	456	2,105	8	21	29	2,134	108·3
4	369	309	678	194	276	295	532	1,975	10	20	30	2,005	98·8
1976 *1*	411	280	691	189	230	317	569	1,996	8	52	60	2,056	95·0
2	445	318	763	258	379	336	590	2,326	11	23	34	2,360	102·0
3	490	355	845	339	709	306	616	2,815	11	62	73	2,888	121·8
4	500	410	910	263	450	327	695	2,645	14	34	48	2,693	110·1
1977 *1*	509	348	857	240	361	272	717	2,447	17	47	64	2,511	99·0
2	544	340	884	301	536	317	735	2,773	18	23	41	2,814	108·3
3	534	345	879	372	915	407	724	3,297	21	40	61	3,358	127·4
4	502	306	808	290	540	375	811	2,824	20	54	74	2,898	109·6
1978 *1*	471	283	754	260	375	390	821	2,600	20	65	85	2,685	102·0
2	525	276	801	337	544	342	820	2,844	21	44	65	2,909	104·6
3	513	287	800	476	1,018	377	807	3,478	24	61	85	3,563	128·0
4	489	327	816	369	565	379	881	3,010	26	57	83	3,093	110·0
1979 *1*	450	319	769	288	408	383	902	2,750	29	55	84	2,834	97·7
2	523	338	861	359	635	364	902	3,121	24	40	64	3,185	105·1
3	533	352	885	556	1,078	406	890	3,815	30	55	85	3,900	123·4
4	521	406	927	498	643	401	983	3,452	29	67	96	3,548	107·7
Seasonally adjusted													
1975 *1*	369	275	644	187	293	226	441	1,791	5	28	33	1,824	102·5
2	383	279	662	181	286	249	457	1,835	9	32	41	1,876	99·0
3	376	284	660	195	322	246	479	1,902	8	23	31	1,933	97·8
4	375	293	668	217	317	293	518	2,013	10	24	34	2,047	100·7
1976 *1*	417	292	709	225	360	332	555	2,181	8	37	45	2,226	102·7
2	443	327	770	259	421	333	591	2,374	11	31	42	2,416	104·1
3	478	356	834	277	467	304	648	2,530	11	66	77	2,607	109·5
4	508	388	896	288	520	317	676	2,697	14	37	51	2,748	112·6
1977 *1*	515	361	876	293	557	300	695	2,721	17	32	49	2,770	109·2
2	542	348	890	299	592	313	737	2,831	18	32	50	2,881	110·6
3	519	343	862	295	591	396	764	2,908	21	42	63	2,971	112·5
4	513	287	800	316	612	362	791	2,881	20	58	78	2,959	112·0
1978 *1*	478	292	770	314	586	389	794	2,853	20	48	68	2,921	110·7
2	522	284	806	337	608	339	820	2,910	21	54	75	2,985	107·0
3	496	287	783	391	662	379	855	3,070	24	64	88	3,158	113·9
4	502	310	812	400	646	381	860	3,099	26	61	87	3,186	113·0
1979 *1*	457	331	788	353	630	382	874	3,027	29	43	72	3,099	106·4
2	519	349	869	358	705	361	903	3,195	24	48	72	3,267	107·4
3	515	352	867	448	694	408	943	3,360	30	58	88	3,448	109·5
4	536	383	919	542	735	403	957	3,556	29	68	97	3,653	110·6

Services: debits

TABLE 3 *(continued)*

	£ million												1975 = 100	£ million
	Private sector and public corporations								General government					
	Sea transport					Other services								
	Dry cargo	Tankers	Total	Civil aviation	Travel	Services associated with UK Cont. Shelf	Other	Total	Military	Administrative, diplomatic, etc.	Total	Total services debits at current prices	Volume indices: total services debits	Balance of services at current prices
1971	687	986	1,673	303	442	27	521	2,966	315	59	374	3,340	90·3	+ 584
1972	744	944	1,688	340	535	39	562	3,164	350	73	423	3,587	95·7	+ 648
1973	967	1,193	2,160	415	695	60	647	3,977	424	89	513	4,490	100·7	+ 696
1974	1,359	1,437	2,796	537	703	212	753	5,001	532	97	629	5,630	101·6	+ 941
1975	1,337	1,266	2,603	676	917	490	936	5,622	595	114	709	6,331	100·0	+1,349
1976	1,705	1,517	3,222	831	1,068	665	1,122	6,908	746	136	882	7,790	98·4	+2,207
1977	1,965	1,480	3,445	984	1,186	725	1,310	7,650	830	141	971	8,621	96·1	+2,960
1978	2,078	1,256	3,334	1,158	1,548	568	1,350	7,958	864	153	1,017	8,975	96·8	+3,275
1979	2,380	1,368	3,748	1,456	2,101	467	1,463	9,235	993	169	1,162	10,397	105·2	+3,070
Unadjusted														
1975 *1*	311	312	623	148	129	84	222	1,206	134	26	160	1,366	92·6	+ 327
2	336	308	644	154	215	105	230	1,348	150	29	179	1,527	98·8	+ 321
3	342	315	657	203	400	145	226	1,631	156	29	185	1,816	112·2	+ 318
4	348	331	679	171	173	156	258	1,437	155	30	185	1,622	96·4	+ 383
1976 *1*	365	330	695	160	150	77	273	1,355	166	32	198	1,553	87·4	+ 503
2	409	370	779	202	259	160	273	1,673	183	34	217	1,890	97·5	+ 470
3	451	380	831	247	436	233	275	2,022	192	33	225	2,247	111·3	+ 641
4	480	437	917	222	223	195	301	1,858	205	37	242	2,100	97·5	+ 593
1977 *1*	494	386	880	203	184	92	306	1,665	207	33	240	1,905	86·5	+ 606
2	493	376	869	249	295	142	305	1,860	212	36	248	2,108	93·9	+ 706
3	494	361	855	293	468	276	353	2,245	210	35	245	2,490	110·1	+ 868
4	484	357	841	239	239	215	346	1,880	201	37	238	2,118	93·8	+ 780
1978 *1*	491	314	805	230	228	115	319	1,697	226	36	262	1,959	87·4	+ 726
2	550	323	873	280	358	159	330	2,000	228	39	267	2,267	96·8	+ 642
3	531	298	829	363	643	161	338	2,334	230	38	268	2,602	112·0	+ 961
4	506	321	827	285	319	133	363	1,927	180	40	220	2,147	91·0	+ 946
1979 *1*	521	325	846	295	302	100	340	1,883	240	41	281	2,164	90·9	+ 670
2	607	329	936	354	499	104	350	2,243	246	46	292	2,535	104·2	+ 650
3	619	332	951	429	854	115	378	2,727	244	39	283	3,010	123·8	+ 890
4	633	382	1,015	378	446	148	395	2,382	263	43	306	2,688	101·9	+ 860
Seasonally adjusted														
1975 *1*	314	314	628	170	215	105	222	1,340	136	27	163	1,503	101·7	+ 321
2	331	310	641	155	222	111	230	1,359	149	28	177	1,536	99·3	+ 340
3	339	316	655	174	240	127	226	1,422	156	29	185	1,607	99·1	+ 326
4	353	326	679	177	240	147	258	1,501	154	30	184	1,685	99·9	+ 362
1976 *1*	368	333	701	184	242	106	273	1,506	169	33	202	1,708	95·8	+ 518
2	405	373	778	204	263	171	273	1,689	180	33	213	1,902	98·1	+ 514
3	447	381	828	212	264	199	275	1,778	192	34	226	2,004	98·8	+ 603
4	485	430	915	231	299	189	301	1,935	205	36	241	2,176	101·0	+ 572
1977 *1*	497	389	886	236	292	136	306	1,856	209	34	243	2,099	95·1	+ 671
2	487	379	866	251	297	154	304	1,872	209	35	244	2,116	94·5	+ 765
3	493	361	854	249	284	230	353	1,970	206	36	242	2,212	97·2	+ 759
4	488	351	839	248	313	205	347	1,952	206	36	242	2,194	97·5	+ 765
1978 *1*	491	316	807	268	365	167	318	1,925	223	37	260	2,185	97·3	+ 736
2	543	326	869	283	365	159	329	2,005	229	38	267	2,272	96·8	+ 713
3	532	298	830	310	398	123	339	2,000	226	39	265	2,265	97·4	+ 893
4	512	316	828	297	420	119	364	2,028	186	39	225	2,253	95·7	+ 933
1979 *1*	521	327	848	342	479	136	340	2,145	238	42	280	2,425	101·8	+ 674
2	598	332	930	356	505	104	351	2,246	245	44	289	2,535	104·3	+ 732
3	621	333	954	365	528	90	377	2,314	242	40	282	2,596	106·3	+ 852
4	640	376	1,016	393	589	137	395	2,530	268	43	311	2,841	108·4	+ 812

Interest, profits and dividends: credits

TABLE 4

£ million

	Earnings on:							
							of which:	
	Direct investment[1]	Portfolio investment	Export credit and sterling lending by UK banks	UK banks borrowing and lending in overseas currencies	Other (including oil companies)	Total credits	Private sector and public corporations	General government
1971	718	175	122	16	457	1,488	1,397	91
1972	911	173	154	44	459	1,741	1,585	156
1973	1,450	207	238	54	889	2,838	2,662	176
1974	1,490	258	322	151	1,076	3,297	3,060	237
1975	1,583	243	365	138	507	2,836	2,570	266
1976	2,381	276	472	210	555	3,894	3,641	253
1977	2,287	295	460	107	815	3,964	3,553	411
1978	2,433	288	567	346	1,642	5,276	4,510	766
1979	2,700	323	734	—6	2,634	6,385	5,473	912
Unadjusted								
1975 *1*	372	56	82	57	138	705	647	58
2	390	63	95	25	135	708	610	98
3	389	61	88	12	102	652	603	49
4	432	63	100	44	132	771	710	61
1976 *1*	505	64	91	54	154	868	800	68
2	592	70	119	41	140	962	887	75
3	611	72	118	53	142	996	942	54
4	673	70	144	62	119	1,068	1,012	56
1977 *1*	540	73	114	12	211	950	891	59
2	595	72	120	18	211	1,016	921	95
3	563	76	108	38	195	980	870	110
4	589	74	118	39	198	1,018	871	147
1978 *1*	551	65	115	48	360	1,139	950	189
2	630	73	135	68	437	1,343	1,124	219
3	636	81	143	114	396	1,370	1,186	184
4	616	69	174	116	449	1,424	1,250	174
1979 *1*	633	78	175	39	561	1,486	1,294	192
2	683	78	172	18	643	1,594	1,358	236
3	703	89	187	13	715	1,707	1,474	233
4	681	78	200	—76	715	1,598	1,347	251
Seasonally adjusted								
1975 *1*	387	60	82	57	143	729	666	63
2	381	60	89	25	122	677	593	84
3	400	60	95	12	108	675	621	54
4	415	63	99	44	134	755	690	65
1976 *1*	525	67	96	54	160	902	828	74
2	579	69	110	41	125	924	865	59
3	620	70	123	53	148	1,014	953	61
4	657	70	143	62	122	1,054	995	59
1977 *1*	561	75	127	12	216	991	927	64
2	579	72	111	18	197	977	896	81
3	568	73	114	38	200	993	877	116
4	579	75	108	39	202	1,003	853	150
1978 *1*	571	67	114	48	364	1,164	971	193
2	615	73	136	68	426	1,318	1,110	208
3	640	78	151	114	400	1,383	1,194	189
4	607	70	166	116	452	1,411	1,235	176
1979 *1*	656	80	175	39	566	1,516	1,320	196
2	667	78	179	18	627	1,569	1,348	221
3	706	86	183	13	722	1,710	1,470	240
4	671	79	197	—76	719	1,590	1,335	255

[1] Earnings on direct investment exclude the earnings of oil companies.

Interest, profits and dividends: debits

TABLE 4 *(continued)*

£ million

	Earnings on:									
								of which:		
	Direct[1] investment	Portfolio investment	Sterling liabilities	Overseas currency borrowing by general government[2]	Foreign oil companies' investment in UK	Other	Total debits	Private sector and public corporations	General government	Balance of IPD
1971	394	135	255	3	63	128	978	683	295	+ 510
1972	557	151	292	5	77	121	1,203	905	298	+ 538
1973	707	180	452	18	56	165	1,578	1,203	375	+1,260
1974	622	236	623	139	46	208	1,874	1,285	589	+1,423
1975	620	288	651	259	7	249	2,074	1,294	780	+ 762
1976	1,030	354	567	368	— 46	322	2,595	1,694	901	+1,299
1977	1,414	521	472	422	477	457	3,763	2,664	1,099	+ 201
1978	1,445	601	501	522	557	589	4,215	2,950	1,265	+1,061
1979	1,494	589	858	576	1,979	682	6,178	4,889	1,289	+ 207
Unadjusted										
1975 *1*	158	66	185	58	18	48	533	355	178	+ 172
2	161	84	153	68	24	64	554	353	201	+ 154
3	130	68	158	65	— 17	46	450	255	195	+ 202
4	171	70	155	68	— 18	91	537	331	206	+ 234
1976 *1*	242	79	143	77	21	51	613	411	202	+ 255
2	261	102	136	90	— 43	98	644	410	234	+ 318
3	230	82	138	96	— 11	80	615	380	235	+ 381
4	297	91	150	105	— 13	93	723	493	230	+ 345
1977 *1*	343	113	130	87	81	86	840	595	245	+ 110
2	403	162	129	119	124	116	1,053	749	304	— 37
3	329	120	109	97	129	101	885	632	253	+ 95
4	339	126	104	119	143	154	985	688	297	+ 33
1978 *1*	372	141	112	119	105	107	956	675	281	+ 183
2	373	190	104	144	111	177	1,099	731	368	+ 244
3	324	130	138	114	116	128	950	670	280	+ 420
4	376	140	147	145	225	177	1,210	874	336	+ 214
1979 *1*	317	120	155	130	384	146	1,252	982	270	+ 234
2	463	170	196	169	462	204	1,664	1,288	376	— 70
3	312	145	233	107	618	138	1,553	1,279	274	+ 154
4	402	154	274	170	515	194	1,709	1,340	369	— 111
Seasonally adjusted										
1975 *1*	163	66	174	56	18	65	542	359	183	+ 187
2	153	70	159	66	24	58	530	332	198	+ 147
3	146	73	160	70	— 17	62	494	293	201	+ 181
4	158	79	158	67	— 18	64	508	310	198	+ 247
1976 *1*	244	82	142	86	21	61	636	429	207	+ 266
2	246	83	141	82	— 43	83	592	378	214	+ 332
3	255	89	136	100	— 11	88	657	422	235	+ 357
4	285	100	148	100	— 13	90	710	465	245	+ 344
1977 *1*	341	127	132	97	81	107	885	611	274	+ 106
2	379	125	131	110	124	107	976	702	274	+ 1
3	364	137	107	102	129	117	956	685	271	+ 37
4	330	132	102	113	143	126	946	666	280	+ 57
1978 *1*	366	157	108	127	105	134	997	682	315	+ 167
2	351	148	114	128	111	145	997	689	308	+ 321
3	357	156	136	125	116	152	1,042	726	316	+ 341
4	371	140	143	142	225	158	1,179	853	326	+ 232
1979 *1*	311	132	162	140	384	176	1,305	1,001	304	+ 211
2	436	139	199	149	462	167	1,552	1,241	311	+ 17
3	345	161	242	124	618	163	1,653	1,342	311	+ 57
4	402	157	255	163	515	176	1,668	1,305	363	— 78

[1] Earnings on direct investment exclude the earnings of oil companies.
[2] Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

Transfers

TABLE 5

£ million

	Private sector			General government							
				Credits	Debits						
	Credits	Debits	Balance of private sector	EEC institutions	Economic grants	Contributions and subscriptions to international orgs. EEC	Contributions and subscriptions to international orgs. Other	Other debits	Total debits	Balance of general government	Balance of transfers
1971	228	234	− 6	—	103	—	63	39	205	− 205	− 211
1972	245	298	− 53	—	100	—	60	50	210	− 210	− 263
1973	299	398	− 99	63	106	187	75	54	422	− 359	− 458
1974	333	454	−121	130	118	186	85	61	450	− 320	− 441
1975	360	503	−143	363	166	350	137	77	730	− 367	− 510
1976	496	509	− 13	251	276	474	186	99	1,035	− 784	− 797
1977	570	614	− 44	301	290	750	244	119	1,403	−1,102	−1,146
1978	630	848	−218	461	421	1,367	222	144	2,154	−1,693	−1,911
1979	618	992	−374	542	490	1,625	309	146	2,570	−2,028	−2,402
Unadjusted											
1975 *1*	84	110	− 26	106	62	66	42	21	191	− 85	− 111
2	86	135	− 49	78	26	95	36	19	176	− 98	− 147
3	91	123	− 32	93	34	88	27	19	168	− 75	− 107
4	99	135	− 36	86	44	101	32	18	195	− 109	− 145
1976 *1*	110	146	− 36	59	118	95	44	25	282	− 223	− 259
2	120	120	—	77	38	128	49	23	238	− 161	− 161
3	130	117	+ 13	56	56	108	51	25	240	− 184	− 171
4	136	126	+ 10	59	64	143	42	26	275	− 216	− 206
1977 *1*	139	145	− 6	81	108	177	76	32	393	− 312	− 318
2	141	135	+ 6	62	48	185	70	28	331	− 269	− 263
3	144	153	− 9	63	56	217	53	30	356	− 293	− 302
4	146	181	− 35	95	78	171	45	29	323	− 228	− 263
1978 *1*	150	228	− 78	89	163	382	77	39	661	− 572	− 650
2	161	205	− 44	84	57	271	69	34	431	− 347	− 391
3	160	211	− 51	120	82	381	38	36	537	− 417	− 468
4	159	204	− 45	168	119	333	38	35	525	− 357	− 402
1979 *1*	158	220	− 62	105	181	361	107	38	687	− 582	− 644
2	154	205	− 51	126	69	386	93	33	581	− 455	− 506
3	149	275	−126	144	106	428	54	37	625	− 481	− 607
4	157	292	−135	167	134	450	55	38	677	− 510	− 645
Seasonally adjusted											
1975 *1*	84	110	− 26	106	35	63	37	19	154	− 48	− 74
2	86	135	− 49	78	38	97	27	20	182	− 104	− 153
3	91	123	− 32	93	43	90	32	19	184	− 91	− 123
4	99	135	− 36	86	50	100	41	19	210	− 124	− 160
1976 *1*	110	146	− 36	59	69	91	34	22	216	− 157	− 193
2	120	120	—	77	62	132	38	24	256	− 179	− 179
3	130	117	+ 13	56	74	109	58	25	266	− 210	− 197
4	136	126	+ 10	59	71	142	56	28	297	− 238	− 228
1977 *1*	139	145	− 6	81	60	170	60	28	318	− 237	− 243
2	141	135	+ 6	62	72	193	59	29	353	− 291	− 285
3	144	153	− 9	63	74	219	63	31	387	− 324	− 333
4	146	181	− 35	95	84	168	62	31	345	− 250	− 285
1978 *1*	150	228	− 78	89	94	361	61	35	551	− 462	− 540
2	161	205	− 44	84	91	289	61	35	476	− 392	− 436
3	160	211	− 51	120	109	387	46	37	579	− 459	− 510
4	159	204	− 45	168	127	330	54	37	548	− 380	− 425
1979 *1*	158	220	− 62	105	94	339	89	33	555	− 450	− 512
2	154	205	− 51	126	116	410	88	34	648	− 522	− 573
3	149	275	−126	144	139	432	63	38	672	− 528	− 654
4	157	292	−135	167	141	444	69	41	695	− 528	− 663

Investment and other capital transactions

TABLE 6

Not seasonally adjusted

£ million

	Official long-term capital	Overseas investment in UK public sector[1]		Overseas investment in UK private sector	UK private investment overseas	Overseas currency borrowing or lending (net) by UK banks[1,2]		Exchange reserves in sterling (ie holdings of overseas monetary authorities)		Other external banking and money market liabilities in sterling	Trade credit[3]	Other short-term transactions	Total investment and other capital transactions
		British government stocks	Other			Borrowing to finance UK investment overseas	Other borrowing or lending (net)	British government stocks	Banking and money market liabilities etc.				
1968	+ 16	+ 9	+ 7	+ 567	− 730	+155	− 170	− 22	− 158	− 128	− 281	− 24	− 759
1969	− 98	− 74	+ 18	+ 676	− 693	+ 72	− 110	+237	+ 77	− 53	− 181	− 46	− 175
1970	−205	− 10	—	+ 854	− 829	+180	+ 292	+ 63	+ 130	+ 266	− 381	+186	+ 546
1971	−274	+ 82	+ 25	+1,053	− 860	+280	+ 191	+ 55	+ 658	+ 709	− 233	+105	+1,791
1972	−253	+ 108	+ 12	+ 798	−1,402	+725	− 254	+ 65	+ 222	− 91	− 211	−402	− 683
1973	−255	+ 42	+ 133	+1,661	−1,760	+595	− 70	+ 74	+ 87	− 7	− 214	−141	+ 145
1974	−287	+ 105	+ 147	+2,304	−1,148	+270	− 564	−124	+1,534	+ 148	− 712	− 67	+1,606
1975	−291	− 13	+ 56	+1,699	−1,290	+320	− 85	+ 7	− 624	+ 550	− 488	+285	+ 126
1976	−165	+ 116	+ 87	+2,070	−2,232	+165	− 271	+ 14	−1,421	+ 255	−1,024	−610	−3,016
1977	−319	+ 979	+1,203	+3,067	−2,222	+520	− 136	+ 5	− 24	+1,481	− 262	+114	+4,406
1978	−336	+ 16	− 96	+2,678	−4,268	+835	−1,354	−115	− 4	+ 301	− 442	−414	−3,199
1979	−401	+1,000	− 57	+3,305	−5,038	−445	+1,903	+247	+ 488	+2,602	− 300	+221	+3,525
1971 *1*	− 46	+ 61	+ 9	+ 320	− 220	+ 45	+ 39	+ 57	+ 168	+ 60	− 65	+135	+ 563
2	− 44	+ 4	+ 3	+ 293	− 214	+120	+ 28	+ 36	+ 244	− 3	− 91	− 7	+ 369
3	− 34	+ 2	+ 3	+ 217	− 176	+ 60	− 32	− 40	+ 137	+ 240	+ 40	+ 48	+ 465
4	−150	+ 15	+ 10	+ 223	− 250	+ 55	+ 156	+ 2	+ 109	+ 412	− 117	− 71	+ 394
1972 *1*	− 42	+ 63	+ 2	+ 153	− 348	+185	− 71	+ 70	+ 138	+ 3	− 28	−137	− 12
2	− 38	+ 20	+ 2	+ 199	− 352	+170	− 302	− 8	+ 37	− 167	− 137	−238	− 814
3	− 16	+ 13	+ 11	+ 246	− 327	+195	+ 4	− 35	− 52	− 5	− 4	− 44	− 14
4	−157	+ 12	− 3	+ 200	− 375	+175	+ 115	+ 38	+ 99	+ 78	− 42	+ 17	+ 157
1973 *1*	− 55	− 7	+ 51	+ 357	− 359	+175	− 174	+ 18	+ 183	− 31	− 160	+ 98	+ 96
2	− 32	+ 12	+ 8	+ 447	− 363	+ 75	+ 77	+ 92	− 3	+ 77	+ 34	+ 1	+ 425
3	− 27	+ 9	+ 12	+ 309	− 347	+140	− 104	− 38	− 307	− 70	− 71	−124	− 618
4	−141	+ 28	+ 62	+ 548	− 691	+205	+ 131	+ 2	+ 214	+ 17	− 17	−116	+ 242
1974 *1*	− 53	− 7	+ 39	+ 920	− 358	+190	− 251	+ 68	+ 164	− 53	− 122	− 20	+ 517
2	− 44	+ 37	+ 70	+ 451	− 101	+125	− 69	−190	+ 421	+ 155	− 271	+104	+ 688
3	− 23	+ 16	+ 14	+ 546	− 198	+ 15	− 361	− 67	+ 622	+ 61	− 125	+ 1	+ 501
4	−167	+ 59	+ 24	+ 387	− 491	− 60	+ 117	+ 65	+ 327	− 15	− 194	−152	− 100
1975 *1*	− 72	+ 36	+ 30	+ 330	− 357	+ 30	− 110	+ 6	+ 222	+ 19	− 207	+154	+ 81
2	− 39	− 1	+ 1	+ 228	− 506	+100	+ 672	− 7	− 296	+ 286	− 176	−184	+ 78
3	− 30	− 56	+ 4	+ 643	− 93	+125	− 140	− 67	− 313	+ 1	+ 178	+ 43	+ 295
4	−150	+ 8	+ 21	+ 498	− 334	+ 65	− 507	+ 75	− 237	+ 244	− 283	+272	− 328
1976 *1*	− 37	− 1	+ 10	+ 749	− 584	+ 65	+ 29	− 10	− 70	+ 5	− 376	−308	− 528
2	− 23	+ 14	− 1	+ 405	− 553	+ 90	− 176	− 13	− 908	− 11	− 249	−351	−1,776
3	− 27	+ 53	+ 5	+ 453	− 540	+ 55	− 327	− 19	− 330	+ 212	− 55	−150	− 670
4	− 78	+ 50	+ 73	+ 463	− 555	− 45	+ 203	+ 56	− 113	+ 49	− 344	+199	− 42
1977 *1*	− 23	+ 350	+ 148	+ 939	− 538	+ 85	+ 336	−165	+ 355	+ 199	− 135	+117	+1,668
2	− 19	+ 37	+ 884	+ 815	− 740	+ 90	− 796	− 4	− 394	+ 350	—	− 32	+ 191
3	− 30	+ 246	+ 43	+ 806	− 468	+210	− 21	+ 31	+ 43	+ 323	+ 122	− 71	+1,234
4	−247	+ 346	+ 128	+ 507	− 476	+135	+ 345	+143	− 28	+ 609	− 249	+100	+1,313
1978 *1*	− 23	+ 51	− 54	+1,030	− 839	+140	− 25	− 34	+ 194	− 62	− 110	−250	+ 18
2	− 8	− 34	+ 19	+ 418	− 726	+340	−1,295	− 20	− 211	− 152	− 274	− 85	−2,028
3	− 66	− 20	+ 7	+ 435	−1,114	+175	+ 153	− 34	+ 43	+ 159	− 105	+119	− 248
4	−239	+ 19	− 68	+ 795	−1,589	+180	− 187	− 27	− 30	+ 356	+ 47	−198	− 941
1979 *1*	− 79	+ 236	− 38	+ 687	−1,498	+185	+ 756	−126	+ 267	+ 462	− 227	+173	+ 798
2	− 35	+ 67	+ 27	+1,211	−1,016	+310	+ 68	+ 4	+ 93	+ 360	− 42	+373	+1,420
3	− 65	+ 423	+ 2	+ 678	−1,650	−515	+1,141	+213	+ 202	+ 448	+ 69	−373	+ 573
4	−222	+ 274	− 48	+ 729	− 874	−425	− 62	+156	− 74	+1,332	− 100	+ 48	+ 734

[1] Excluding borrowing under the exchange cover scheme which is included under 'official financing'.
[2] Including certain other financial institutions.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers. Net credit extended by UK merchants in third-country trade is included within export credit.

Official long-term capital[1]

TABLE 7

Not seasonally adjusted

£ million

	Inter-government loans					Other official long-term capital		
			Repaid by UK					
	Made by UK	Repaid to UK	Export-Import Bank	Other	Total	UK sub-scriptions, to IDA, etc.	Other	Total official long-term capital[2]
1973	− 93	+31	−38	−53	−153	− 86	−16	−255
1974	−108	+33	−32	−52	−159	−117	−11	−287
1975	−113	+34	−22	−61	−162	−110	−19	−291
1976	− 54	+37	− 9	−12	− 38	−110	−18	−165
1977	− 44	+48	—	−68	− 64	−229	−26	−319
1978	− 71	+46	—	−65	− 90	−225	−21	−336
1979	− 81	+68	—	−116	−129	−243	−29	−401
1976 *1*	− 23	+ 5	—	—	− 18	− 10	− 9	− 37
2	− 10	+13	− 9	− 6	− 12	− 9	− 3	− 23
3	− 12	+ 6	—	—	− 6	− 20	− 2	− 27
4	− 9	+13	—	− 6	− 2	− 71	− 4	− 78
1977 *1*	− 18	+12	—	—	− 7	− 6	−10	− 23
2	− 7	+14	—	− 6	+ 1	− 12	− 8	− 19
3	− 10	+ 9	—	—	—	− 26	− 4	− 30
4	− 9	+13	—	−62	− 58	−185	− 4	−247
1978 *1*	− 27	+12	—	—	− 15	− 2	− 7	− 23
2	− 8	+17	—	− 6	+ 3	− 10	− 1	− 8
3	− 20	+ 7	—	—	− 13	− 46	− 6	− 66
4	− 16	+10	—	−59	− 65	−167	− 7	−239
1979 *1*	− 25	+19	—	—	− 6	− 68	− 6	− 79
2	− 24	+14	—	− 5	− 15	− 10	−10	− 35
3	− 17	+18	—	−56	− 55	—	−10	− 65
4	− 15	+17	—	−55	− 53	−165	− 3	−222

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Components and totals are rounded independently.

Overseas investment in UK public sector[1]

TABLE 8

Not seasonally adjusted

£ million

	In British government stocks[2]	In British government foreign currency bonds	In local authorities' securities and mortgages	Net issues abroad[3]		Net borrowing from banks, etc. overseas[3]		
				Public corporations	Local authorities	Public corporations	Local authorities	Total
1973	+ 42	—	+32	+52	+30	+ 19	—	+175
1974	+105	—	−10	+85	—	+ 69	+ 3	+252
1975	− 13	—	+ 4	− 4	—	+ 56	—	+ 43
1976	+116	—	+14	+46	—	+ 27	—	+203
1977	+979	+395	+28	+30	—	+746	+ 4	+2,182
1978	+ 16	—	+ 4	−91	−5	− 15	+11	− 80
1979	+1,000	—	+33	− 4	−62	− 41	+17	+943
1976 *1*	− 1	—	+ 6	− 4	—	+ 8	—	+ 9
2	+ 14	—	+ 1	—	—	− 2	—	+ 13
3	+ 53	—	+ 5	—	—	—	—	+ 58
4	+ 50	—	+ 2	+50	—	+ 21	—	+123
1977 *1*	+350	—	+ 8	− 5	—	+145	—	+498
2	+ 37	+395	+11	—	—	+479	− 1	+921
3	+246	—	+ 6	—	—	+ 37	—	+289
4	+346	—	+ 3	+35	—	+ 85	+ 5	+474
1978 *1*	+ 51	—	− 2	−91	—	+ 34	+ 5	− 3
2	− 34	—	+ 2	—	—	+ 13	+ 4	− 15
3	− 20	—	− 2	—	—	+ 9	—	− 13
4	+ 19	—	+ 6	—	− 5	− 71	+ 2	− 49
1979 *1*	+236	—	+13	− 4	—	− 47	—	+198
2	+ 67	—	+ 8	—	—	+ 12	+ 7	+ 94
3	+423	—	+ 4	—	—	− 2	—	+425
4	+274	—	+ 8	—	−62	− 4	+10	+226

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Denominated in sterling: excluding investment by central monetary institutions and international organisations.
[3] Excluding borrowing under the exchange cover scheme.

Overseas investment in UK private sector[1]

TABLE 9

Not seasonally adjusted

£ million

	Direct[2]			UK company securities		Net borrowing by companies from banks etc. overseas				
	Unremitted profits	Other	Total	Investment by oil companies	International issues (net)	Domestic securities	For use in UK	For direct investment overseas	For portfolio investment overseas	Miscellaneous investment	Total
1973	+344	+390	+ 734	+ 382	+139	+ 91	+99	+191	+30	− 5	+1,661
1974	+251	+603	+ 854	+ 924	+ 11	+132	+78	+209	− 8	+104	+2,304
1975	+242	+285	+ 527	+ 883	+ 34	− 24	+54	+197	+ 9	+ 19	+1,699
1976	+531	+187	+ 718	+ 819	+ 99	+160	+88	+135	+17	+ 34	+2,070
1977	+827	+430	+1,257	+ 989	+216	+205	+45	+278	−12	+ 89	+3,067
1978	+850	+523	+1,373	+ 656	+116	−104	+60	+415	+128	+ 34	+2,678
1979	+893	+548	+1,441	+1,510	+105	+252	−45	+ 45	− 25	+ 22	+3,305
1976 *1*	+144	+127	+ 271	+ 256	+ 21	+ 18	+62	+101	+15	+ 5	+ 749
2	+121	− 27	+ 94	+ 141	+ 58	+ 58	+ 8	+ 30	+10	+ 6	+ 405
3	+133	+ 27	+ 160	+ 208	+ 33	+ 38	+13	− 8	− 2	+ 11	+ 453
4	+133	+ 60	+ 193	+ 214	− 13	+ 46	+ 5	+ 12	− 6	+ 12	+ 463
1977 *1*	+199	+178	+ 377	+ 371	+ 16	+ 79	+ 5	+ 83	−11	+ 19	+ 939
2	+236	+120	+ 356	+ 215	+163	+ 15	+15	+ 30	− 4	+ 25	+ 815
3	+231	+ 47	+ 278	+ 242	+ 27	+117	+20	+ 95	+ 5	+ 22	+ 806
4	+161	+ 85	+ 246	+ 161	+ 10	− 6	+ 5	+ 70	− 2	+ 23	+ 507
1978 *1*	+257	+316	+ 573	+ 280	+ 18	− 29	+20	+140	+18	+ 10	+1,030
2	+230	− 26	+ 204	+ 52	+ 94	− 36	+20	+ 35	+41	+ 8	+ 418
3	+189	+ 41	+ 230	+ 53	+ 48	− 2	+ 5	+ 60	+33	+ 10	+ 435
4	+174	+192	+ 366	+ 271	− 42	− 37	+15	+180	+36	+ 6	+ 795
1979 *1*	+193	+ 64	+ 257	+ 266	+ 49	− 10	+25	+ 90	+ 5	+ 5	+ 687
2	+309	+158	+ 467	+ 471	− 1	+ 89	− 5	+175	+ 5	+ 10	+1,211
3	+198	+185	+ 383	+ 328	+ 50	+ 53	−35	−105	− 2	+ 6	+ 678
4	+193	+141	+ 334	+ 445	+ 7	+120	−30	−115	−33	+ 1	+ 729

[1] Net of disinvestment. Liabilities: increase + /decrease −.
[2] Excluding the transactions of oil companies.

UK private investment overseas[1]

TABLE 10

Not seasonally adjusted

£ million

	Direct[2]					
	Unremitted profits	Other	Total	Portfolio	Oil companies' and other miscellaneous investment	Total
1973	− 840	−781	−1,621	+276	−415	−1,760
1974	− 851	−724	−1,575	+725	−298	−1,148
1975	− 873	−221	−1,094	− 59	−137	−1,290
1976	−1,453	−655	−2,108	+ 90	−214	−2,232
1977	−1,285	−505	−1,790	+ 5	−437	−2,222
1978	−1,278	−900	−2,178	−1,063	−1,027	−4,268
1979	−1,568	−1,276	−2,844	−648	−1,546	−5,038
1976 *1*	− 335	−261	− 596	− 84	+ 96	− 584
2	− 342	−139	− 481	+ 29	−101	− 553
3	− 379	−103	− 482	+ 14	− 72	− 540
4	− 397	−152	− 549	+131	−137	− 555
1977 *1*	− 293	−252	− 545	+ 25	− 18	− 538
2	− 312	−106	− 418	+ 27	−349	− 740
3	− 331	− 3	− 334	− 5	−129	− 468
4	− 349	−144	− 493	− 42	+ 59	− 476
1978 *1*	− 282	−195	− 477	−250	−112	− 839
2	− 315	−358	− 673	−244	+191	− 726
3	− 376	−127	− 503	−244	−367	−1,114
4	− 305	−220	− 525	−325	−739	−1,589
1979 *1*	− 374	−247	− 621	−237	−640	−1,498
2	− 382	−675	−1,057	+ 54	− 13	−1,016
3	− 447	−129	− 576	−287	−787	−1,650
4	− 365	−225	− 590	−178	−106	− 874

[1] Net of disinvestment. Assets: increase − /decrease +.
[2] Excluding the transactions of oil companies but including investment by a number of public corporations.

Import and export credit[1]

TABLE 11

Not seasonally adjusted

£ million

	Import credit					Export credit				
	Credit received by UK businesses					Credit extended by UK banks				
	Identified long-term[2]	Other	Total	Advance and progress payments	Total	Identified long-term	Other	Total	Suppliers' credit[3]	Advance and progress payments	Total
1973	+148	+216	+364	− 26	+338	−254	−120	−374	−324	+146	− 552
1974	+ 68	+138	+206	−109	+ 97	−419	−198	−617	−492	+300	− 809
1975	+ 53	+ 65	+118	− 36	+ 82	−633	− 49	−682	−122	+234	− 570
1976	− 40	+246	+206	−130	+ 76	−703	−111	−814	−580	+294	−1,100
1977	+116	+130	+246	+105	+351	−596	+ 10	−586	−295	+268	− 613
1978	− 70	+195	+125	+118	+243	−553	+ 13	−540	−310	+165	− 685
1979	−124	+153	+ 29	− 48	− 19	−271	+ 25	−246	−315	+280	− 281
1976 *1*	− 18	+ 18	—	− 85	− 85	−171	− 50	−221	−120	+ 50	− 291
2	+ 54	+ 41	+ 95	− 13	+ 82	−210	− 4	−214	−182	+ 65	− 331
3	− 25	+ 75	+ 50	+ 31	+ 81	−144	− 2	−146	− 70	+ 80	− 136
4	− 51	+112	+ 61	− 63	− 2	−178	− 55	−233	−208	+ 99	− 342
1977 *1*	+ 31	+ 72	+103	− 55	+ 48	−131	− 53	−184	− 59	+ 60	− 183
2	+ 84	− 27	+ 57	+151	+208	−136	+ 10	−126	−157	+ 75	− 208
3	+ 13	+ 9	+ 22	+ 72	+ 94	−136	+ 32	−104	+ 22	+110	+ 28
4	− 12	+ 76	+ 64	− 63	+ 1	−193	+ 21	−172	−101	+ 23	− 250
1978 *1*	+ 24	+ 25	+ 49	+ 92	+141	−121	+ 55	− 66	−250	+ 65	− 251
2	+ 3	− 10	− 7	+104	+ 97	−193	−163	−356	− 70	+ 55	− 371
3	− 45	− 20	− 65	− 23	− 88	−138	+106	− 32	− 5	+ 20	− 17
4	− 52	+200	+148	− 55	+ 93	−101	+ 15	− 86	+ 15	+ 25	− 46
1979 *1*	− 13	− 25	− 38	− 37	− 75	− 71	− 11	− 82	−120	+ 50	− 152
2	− 3	+128	+125	− 31	+ 94	− 65	+ 4	− 61	−225	+150	− 136
3	− 36	—	− 36	+ 9	− 27	− 60	+ 26	− 34	+ 80	+ 50	+ 96
4	− 72	+ 50	− 22	+ 11	− 11	− 75	+ 6	− 69	− 50	+ 30	− 89

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Credit on ships, commercial aircraft and North Sea installations.
[3] Includes net credit extended by UK merchants on third-country trade.

Other short-term transactions[1]

TABLE 12

Not seasonally adjusted

£ million

	External sterling lending[2]	Official short-term transactions (net)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total
1973	+ 35	+19	−195	—	−141
1974	+ 53	−20	−100	—	− 67
1975	+ 94	+15	+176	—	+285
1976	−351	+19	−278	—	−610
1977	+ 61	+54	− 1	—	+114
1978	−463	+75	− 40	+14	−414
1979	+260	+145	−171	−13	+221
1976 *1*	−244	+15	− 79	—	−308
2	−224	− 9	−118	—	−351
3	−125	+24	− 49	—	−150
4	+242	−11	− 32	—	+199
1977 *1*	+171	−13	− 41	—	+117
2	−109	+ 2	+ 75	—	− 32
3	− 28	+56	− 99	—	− 71
4	+ 27	+ 9	+ 64	—	+100
1978 *1*	−286	+90	− 54	—	−250
2	− 34	−53	+ 2	—	− 85
3	− 82	+84	+117	—	+119
4	− 61	−46	−105	+14	−198
1979 *1*	+126	+51	− 4	—	+173
2	+220	−23	+189	−13	+373
3	−108	−44	−221	—	−373
4	+ 22	+161	−135	—	+ 48

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−
[2] Excluding credit for UK exports.

The UK Continental Shelf oil and gas programme[1]

TABLE 13

	Not seasonally adjusted							
			£ million					
	Volume of sales		Value of sales		Identifiable balance of payments entries			
	Gas (million terajoules)	Oil (million tonnes)[2]	Gas	Oil	Import of goods[3]	Imports less exports of services	I.P.D. due abroad[4]	Overseas investment in UKCS etc.[5]
1973	1·1	0·4	133	2	−100	−207	−9	+54
1974	1·4	0·4	166	3	−125	−207	−10	+240
1975	1·4	1·4	190	58	−341	−481	−23	+372
1976	1·5	11·8	258	645	−536	−640	−24	+882
1977	1·6	37·8	317	2,226	−531	−701	−429	+1442
1978	1·5	53·1	432	2,805	−185	−545	−572	+731
1979	1·5	77·7	538	5,699	−170	−447	−1,420	+711
1977 *1*	0·5	7·6	97	463	−37	−86	−76	+128
2	0·4	9·8	68	595	−387	−136	−93	+800
3	0·4	10·2	40	607	−82	−270	−108	+274
4	0·4	10·2	112	561	−25	−209	−152	+240
1978 *1*	0·5	11·2	137	598	−23	−109	−115	+278
2	0·4	12·9	92	697	−102	−153	−127	+191
3	0·2	13·6	64	707	−48	−155	−139	+156
4	0·4	15·4	139	803	−12	−128	−191	+106
1979 *1*	0·6	17·7	182	1,004	−15	−95	−337	+213
2	0·3	19·4	110	1,316	−15	−99	−331	+134
3	0·2	21·0	79	1,641	−65	−110	−388	+170
4	0·4	19·6	167[6]	1,738[6]	−75	−143	−364	+194

[1] No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts, because of the number of arbitrary assumptions that need to be made to estimate what would have happened in the absence of North Sea oil and gas. The problems involved are described briefly in Chapter 10 of "United Kingdom Balance of Payments 1979 Edition" (the "Pink Book").

[2] Including condensates and petroleum gases.

[3] Identified direct imports of goods for use on UKCS.

[4] Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf programme; and rough estimates of interest paid on overseas currency borrowing from UK banks in respect of the UKCS programme.

[5] Overseas investment for use in the UK Continental Shelf programme (including profits of UK subsidiaries of overseas companies retained in the United Kingdom); overseas currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

[6] The figures for the latest quarter are highly provisional.

Official financing[1]

TABLE 14

£ million

	Net transactions with overseas monetary authorities							Foreign currency borrowing:			
	International Monetary Fund[2]				Other monetary authorities[3]						
	UK drawings	UK re-purchases	Other net drawings[4]	Total	Foreign currency	Sterling	Total	by HM Government[5]	by public bodies under exchange cover scheme[7]	Drawings on (+)/ additions to (−) official reserves[8]	Total official financing
1974	—	—	—	—	—	—	—	+644	+1,107	− 105	+1,646
1975	—	—	—	—	—	—	—	+423	+ 387	+ 655	+1,465
1976	+1,018	—	—	+1,018	− 20	− 14	− 34	—	+1,792	+ 853	+3,629
1977	+1,525	−412	—	+1,113	—	—	—	+871	+ 243	−9,588	−7,361
1978	—	−948	−68	−1,016	—	—	—	+191	− 378	+2,329	+1,126
1979	—	−596	—	− 596	—	—	—	—	− 251	−1,059	−1,906
1977 *3*	+ 214	—	—	+ 214	—	—	—	+287	+ 118	−3,227	−2,608
4	—	—	—	—	—	—	—	—	+ 74	−2,006	−1,932
1978 *1*	—	—	—	—	—	—	—	—	− 219	+ 46	− 173
2	—	−463	−42	−505	—	—	—	+191	− 218	+2,026	+1,494
3	—	—	−26	− 26	—	—	—	—	− 130	− 54	− 210
4	—	−485	—	−485	—	—	—	—	+ 189	+ 311	+ 15
1979 *1*	—	—	—	—	—	—	—	—	+ 75	− 955	− 880
2	—	−522	—	−522	—	—	—	—	− 168	− 68	− 758
3	—	− 36	—	− 36	—	—	—	—	− 110	− 152	− 298
4	—	− 38	—	− 38	—	—	—	—	− 48	+ 116	+ 30

[1] From 23 August 1971, valued in sterling at market related rates of exchange. [2] Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included. [3] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps. [4] Drawings (−) and repurchases (+) in sterling by other countries. [5] Drawings on two euro-dollar facilities for HM Government to borrow $2,500 million and $1,500 million, and a $350 million bond issue in New York. [6] From July 1972, includes transactions affecting the UK reserve position in the IMF. [7] Includes loans from the European Investment Bank to the Northern Ireland Central Government (£15 million) and to British Nuclear Fuels Ltd., in the first quarter of 1979.

UK transactions and position with IMF[1]

TABLE 15

£ million

	Transactions affecting IMF holdings of sterling[2]								End of period		
	Reserve tranche[3]		Credit tranches							UK tranche position[6]	
	UK net drawings	Net drawings by other countries	UK net drawings	Net drawings by other countries	Special facilities UK net drawings[4]	Maintenance of value payments[5]	UK subscription in sterling	Total change in IMF holdings of sterling	IMF holdings of sterling	Total	Of which reserve tranche
1974	—	−46	—	—	—	—	—	−46	1,143	1,544	106
1975	—	−54	—	—	—	—	—	−54	1,089	1,779	175
1976	+174	—	+437	—	+573	+536	—	+1,720	2,808	2,097	—
1977	—	—	+1,056	—	—	+286	—	+1,342	4,150	1,163	—
1978	−389	−68	−574	—	—	− 21	+84	−968	3,182	1,392	—
1979	—	—	−510	—	−119	−242	—	−871	2,311	1,809	—
1977 *3*	—	—	+216	—	—	—	—	+216	4,150	1,163	—
4	—	—	—	—	—	—	—	—	4,150	1,163	—
1978 *1*	—	—	—	—	—	—	—	—	4,150	1,163	—
2	—	−42	−473	—	—	−35	+84	−466	3,684	1,152	—
3	—	−26	—	—	—	—	—	−26	3,658	1,118	–
4	−389	—	−101	—	—	+14	—	−476	3,182	1,392	—
1979 *1*	—	—	—	—	—	—	—	—	3,182	1,392	—
2	—	—	−510	—	− 41	−242	—	−793	2,389	1,902	—
3	—	—	—	—	− 39	—	—	−39	2,350	1,809	—
4	—	—	—	—	− 39	—	—	−39	2,311	1,809	—

[1] Components and totals may differ due to roundings.
[2] Increase in IMF holdings of sterling +/decrease −. The UK does not borrow from the IMF but purchases foreign currency with sterling. A UK drawing (purchase) from the IMF is therefore shown +, and a repayment (repurchase) −. From 1972 valued at the rates of exchange at which the IMF accounts for its holdings of sterling at the time of the transaction (not necessarily the prevailing market rate).
[3] The use of sterling by other countries in the second and third quarters of 1978 and the UK repurchase in the fourth quarter of 1978 did not reconstitute the UK reserve position in the IMF as the IMF's holdings of sterling then exceeded 100% of quota.
[4] UK drawing on oil facility.
[5] Includes a sterling payment of £14 million in the fourth quarter of 1978 for the third IMF gold restitution to members and subsequent redemption in the second quarter of 1979.
[6] The amount available at the end of each period which the UK could arrange to draw under the IMF's ordinary facilities. Figures are valued at the rates of exchange at which the IMF accounts for its holdings of sterling at the end of the period. Changes derived from outstanding levels therefore differ from those calculated from the flows in cols 1–8, where the latter are valued at the appropriate rate on the day of the transaction.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Summary

TABLE 16

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities, etc.					
	Total	British government stocks[2]	Total	External deposits[3]	Treasury bills[4]	Total	External deposits[3]	Treasury bills
Total countries								
1974[2]	4,725	1,295	3,430	1,870	1,560	2,432	2,426	6
	4,303	959	3,344	1,784	1,560	2,500	2,494	6
1975	3,714	1,023	2,691	1,629	1,062	3,229	3,201[5]	28
1976	2,203	964	1,239	813	426	3,484	3,470	14
1977	2,132	1,077	1,055	737	318	4,965	4,945	20
1978 *1*	2,279	1,072	1,207	839	368	4,903	4,894	9
2	2,003	974	1,029	604	425	4,751	4,737	14
3	2,004	923	1,081	617	464	4,910	4,896	14
4	1,735	824	911	494	417	5,266	5,261	5
1979 *1*	1,870	845	1,025	536	489	5,728	5,717	11
2	2,030	842	1,188	524	664	6,088	6,065	23
3	2,346	906	1,440	599	841	6,536	6,511	25
4	2,188	961	1,227	753	474	7,868	7,801	67
International organisations[6]								
1974[2]	363	126	237	51	186	—	—	—
	331	94	237	51	186	—	—	—
1975	386	120	266	68	198	—	—	—
1976	436	139	297	65	232	—	—	—
1977	703	246	457	143	314	—	—	—
1978 *1*	716	217	499	184	315	—	—	—
2	761	295	466	167	299	—	—	—
3	769	312	457	153	304	—	—	—
4	875	278	597	152	445	—	—	—
1979 *1*	881	131	750	248	502	—	—	—
2	818	138	680	189	491	—	—	—
3	917	287	630	141	489	—	—	—
4	1,088	319	769	105	664	—	—	—
Total all holders								
1974[2]	5,088	1,421	3,667	1,921	1,746	2,432	2,426	6
	4,634	1,053	3,581	1,835	1,746	2,500	2,494	6
1975	4,100	1,143	2,957	1,697	1,260	3,229	3,201[5]	28
1976	2,639	1,103	1,536	878	658	3,484	3,470	14
1977	2,835	1,323	1,512	880	632	4,965	4,945	20
1978 *1*	2,995	1,289	1,706	1,023	683	4,903	4,894	9
2	2,764	1,269	1,495	771	724	4,751	4,737	14
3	2,773	1,235	1,538	770	768	4,910	4,896	14
4	2,610	1,102	1,508	646	862	5,266	5,261	5
1979 *1*	2,751	976	1,775	784	991	5,728	5,717	11
2	2,848	980	1,868	713	1,155	6,088	6,065	23
3	3,263	1,193	2,070	740	1,330	6,536	6,511	25
4	3,276	1,280	1,996	858	1,138	7,868	7,801	67

[1] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks, etc.

[2] A modified reporting system was introduced at the end of 1974 giving rise to some change of definition and coverage. In particular, since 1974, all fourth quarter figures of holdings of British government stocks are now recorded at approximate market values instead of at nominal values, whereas, for the other quarters, holdings of British government stocks reflect the cash flows during each quarter. Therefore, the apparent change during the fourth quarter differs by the amount of the revaluation from the cash flows recorded in Table 6.

[3] Deposits with banks, local authorities and other financial institutions.

[4] Including certain non-interest-bearing notes.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Geographical analysis

TABLE 16 (*continued*)

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities, etc.					
	Total	British government stocks[2]	Total	External deposits[3]	Treasury bills	Total	External deposits[3]	Treasury bills
EEC countries								
1974[2]	223	63	160	127	33	501	500	1
	177	60	117	84	33	518	517	1
1975	124	25	99	46	53	774	751[5]	23
1976	186	10	176	100	76	899	887	12
1977	174	—	174	103	71	1,309	1,292	17
1978 *1*	131	—	131	81	50	1,185	1,179	6
2	150	—	150	134	16	1,145	1,136	9
3	169	6	163	107	56	1,152	1,142	10
4	171	6	165	62	103	1,265	1,265	—
1979 *1*	144	6	138	70	68	1,309	1,304	5
2	189	6	183	59	124	1,200	1,187	13
3	222	6	216	34	182	1,250	1,243	7
4	153	6	147	77	70	1,782	1,779	3
Oil-exporting countries[7]								
1974[2]	3,183	490	2,693	1,387	1,306	307	306	1
	3,101	423	2,678	1,369	1,309	344	343	1
1975	2,838	624	2,214	1,381	833	466	466	—
1976	1,421	736	685	462	223	497	497	—
1977	1,360	868	492	407	85	747	746	1
1978 *1*	1,404	850	554	481	73	789	788	1
2	1,212	743	469	270	199	790	789	1
3	1,169	689	480	258	222	861	861	—
4	1,006	618	388	231	157	984	983	1
1979 *1*	1,072	648	424	223	201	1,107	1,106	1
2	1,141	630	511	175	336	1,236	1,235	1
3	1,338	663	675	237	438	1,344	1,343	1
4	1,174	727	447	281	166	1,618	1,617	1
Other countries								
1974[2]	1,319	742	577	356	221	1,624	1,620	4
	1,025	476	549	331	218	1,638	1,634	4
1975	752	374	378	202	176	1,989	1,984	5
1976	596	218	378	251	127	2,088	2,086	2
1977	598	209	389	227	162	2,909	2,907	2
1978 *1*	744	222	522	277	245	2,929	2,927	2
2	641	231	410	200	210	2,816	2,812	4
3	666	228	438	252	186	2,897	2,893	4
4	558	200	358	201	157	3,017	3,013	4
1979 *1*	654	191	463	243	220	3,312	3,307	5
2	700	206	494	290	204	3,652	3,643	9
3	786	237	549	328	221	3,942	3,925	17
4	861	228	633	395	238	4,468	4,405	63

[5] Improvements in coverage in the second quarter of 1975 added some £180 million.
[6] Excluding IMF.
[7] Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, and Venezuela.

External liabilities and claims of United Kingdom banks in overseas currencies[1]

TABLE 17

£ million

End of period

	Total all currencies	Currency: US dollars	Currency: Other overseas currencies	Area of holder: Western Europe: EEC countries	Area of holder: Western Europe: Other countries	Area of holder: North America	Area of holder: Oil-exporting countries[2]	Area of holder: Other countries[3]
United Kingdom liabilities								
1974	47,451	37,810	9,641	11,996	11,011	4,738	7,888	11,818
1975	63,368	51,488	11,880	15,972	13,241	6,771	11,198	16,186
1976	87,319	71,958	15,361	20,477	15,898	9,334	16,648	24,962
1977 *1*	87,625	72,182	15,443	19,953	15,297	9,237	17,468	25,670
2	90,577	73,760	16,817	20,454	16,225	10,794	18,244	24,860
3	92,240	74,808	17,432	19,625	17,373	11,060	18,245	25,937
4[4]	89,338	71,213	18,125	20,727	17,167	10,790	16,614	24,040
1978 *1*	94,491	73,788	20,703	21,610	18,732	12,657	17,084	24,408
2	96,359	76,203	20,156	21,909	20,057	12,017	16,192	26,184
3	99,281	77,069	22,212	21,949	20,861	12,283	15,689	28,499
4	104,566	81,943	22,623	23,566	20,251	14,952	14,979	30,818
1979 *1*[5]	104,842	82,443	22,399	22,356	20,620	14,596	15,615	31,655
2	107,940	83,944	23,996	23,403	21,414	16,271	15,558	31,294
3	120,938	94,335	26,603	24,353	22,720	20,554	19,161	34,150
4	126,726	98,871	27,855	26,505	22,638	19,963	20,472	37,148
United Kingdom claims								
1974	43,651	35,194	8,457	12,086	4,987	5,066	992	20,520
1975	58,440	47,914	10,526	15,362	6,548	4,041	1,677	30,812
1976	81,076	66,139	14,937	21,309	9,016	6,022	3,193	41,536
1977 *1*	80,524	65,828	14,696	20,864	8,853	5,085	3,718	42,004
2	84,159	68,300	15,859	22,758	9,716	5,947	4,496	41,242
3	85,544	69,534	16,010	23,337	10,291	7,012	4,651	40,253
4	83,000	65,585	17,415	24,432	10,089	6,948	4,783	36,748
1978 *1*	88,066	68,289	19,777	26,445	10,892	6,113	5,468	39,148
2	91,034	71,434	19,600	27,077	11,213	6,620	6,022	40,102
3	94,063	72,812	21,251	27,679	11,454	6,386	6,525	42,019
4	99,387	76,880	22,507	30,943	11,748	7,314	7,044	42 338
1979 *1*[5]	98,668	77,237	21,431	29,382	11,739	7,947	7,038	42,562
2	101,986	79,033	22,953	29,617	11,815	9,092	7,136	44,326
3	114,729	89,313	25,416	31,474	12,513	12,090	7,883	50,769
4	121,351	95,174	26,177	34,263	13,993	13,033	8,073	51,989
Net liabilities[6]								
1974	3,800	2,616	1,184	— 90	6,024	— 328	6,896	— 8,702
1975	4,928	3,574	1,354	610	6,693	2,730	9,521	—14,626
1976	6,243	5,819	424	— 832	6,882	3,312	13,455	—16,574
1977 *1*	7,101	6,354	747	— 911	6,444	4,152	13,750	—16,334
2	6,418	5,460	958	— 2,304	6,509	4,847	13,748	—16,382
3	6,696	5,274	1,422	— 3,712	7,082	4,048	13,594	—14,316
4[4]	6,338	5,628	710	— 3,705	7,078	3,842	11,831	—12,708
1978 *1*	6,425	5,499	926	— 4,835	7,840	6,544	11,616	—14,740
2	5,325	4,769	556	— 5,168	8,844	5,397	10,170	—13,918
3	5,218	4,257	961	— 5,730	9,407	5,897	9,164	—13,520
4	5,179	5,063	116	— 7,377	8,503	7,638	7,935	—11,520
1979 *1*[5]	6,174	5,206	968	— 7,026	8,881	6,649	8,577	—10,907
2	5,954	4,911	1,043	— 6,214	9,599	7,179	8,422	—13,032
3	6,209	5,022	1,187	— 7,121	10,207	8,464	11,278	—16,619
4	5,375	3,697	1,678	— 7,758	8,645	6,930	12,399	—14,841

[1] Including certain other financial institutions. Including revaluations in sterling terms, (excluded from Table 6) and liabilities incurred by UK banks in respect of borrowings by UK public bodies under the exchange cover scheme and HM Government drawings on two euro-dollar facilities.

[2] See footnote [7] to Table 16.

[3] Including unallocated items. For end-March 1978 onwards unallocated dollar certificates of deposit became negligible as a result of improvements in reporting arrangements.

[4] An improvement in the coverage of UK financial institutions reporting holdings of US dollar certificates of deposit has reduced UK external liabilities for end-1977 onwards (at end-1977 the reduction was about £50 million).

[5] The figures for March 1979 are not consistent with those for earlier periods because of coverage differences. A comparable figure for total net liabilities at the end of 1978 would be about £300 million higher than that shown.

[6] Minus sign indicates that claims exceed liabilities.

Official reserves[1, 2]

TABLE 18

	$ million					£ million
	End of period					
	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF	Total	Total[3]
1974	888	830	4,823	248	6,789	2,890
1975	888	840	3,335	366	5,429	2,683
1976 2	888	790	3,634	—	5,312	2,976
3	888	759	3,511	—	5,158	3,092
4	888	728	2,513	—	4,129	2,426
1977 1	913	673	8,032	—	9,618	5,592
2	913	628	10,031	—	11,572	6,727
3	913	592	15,666	—	17,171	9,826
4	938	604	19,015	—	20,557	10,715
1978 1	938	565	18,817	—	20,320	10,910
2	938	598	15,006	—	16,542	8,891
3	938	713	14,860	—	16,511	8,365
4	964	500	14,230	—	15,694	7,689
1979 1	965	918	15,571	—	17,454	8,446
	4,081	981	16,885	—	21,947	10,620
2	4,085	1,074	16,911	—	22,070	10,163
3[4]	3,265	1,114	18,313	—	22,692	10,305
4	3,259	1,245	18,034	—	22,538	10,129

[1] Until end-March 1979 convertible currencies are valued in dollars at middle or central rates. Special drawing rights are valued at SDR1 = $1·20635 from end-1973 to end March-1979. Gold is valued at $42·2222 per fine ounce from end-1973 to end-March 1979.

[2] From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. Convertible currencies and SDR's are valued at the average of the middle market closing rates in the three months to end-March, and gold at the average of the London fixing prices for the three months up to end-March less a 25 per cent discount.

[3] Total reserves valued as in [1] and [2] above are converted to sterling at end-period dollar/sterling middle-market closing rates.

[4] From July 1979 reserve holdings include European Currency Units acquired from swaps with the European Monetary Co-operation Fund. As shown above, these are included within convertible currencies and are valued at the average of the $/ECU or $/European Unit of Account exchange rates in the 3 months to end-March. Until March 1980 this valuation will differ from that used for monthly reserve announcements where the ECU is valued at the market rate applicable for each swap.

Official financing liabilities and official reserves [1]

TABLE 19

	£ million						
	End of period						
		Borrowing from other monetary authorities		Other foreign currency borrowing by			
	IMF[2]	Foreign currency deposits	Other[3]	HM Government	public bodies under exchange cover scheme	Total official financing liabilities	Official reserves
1974	—	—	—	638	2,380	3,018	2,890
1975	—	—	—	1,235	3,174	4,409	2,683
1976 2	1,149	353	224	1,401	4,515	7,642	2,976
3	1,230	566	360	1,499	5,338	8,993	3,092
4	1,205	—	—	1,469	5,646	8,320	2,426
1977 1	1,893	—	—	2,035	5,604	9,532	5,592
2	2,118	—	—	2,034	5,636	9,788	6,727
3	2,306	—	—	2,289	5,663	10,258	9,826
4	2,100	—	—	2,085	5,219	9,404	10,715
1978 1	2,163	—	—	2,148	5,146	9,457	10,910
2	1,671	—	—	2,338	4,961	8,970	8,891
3	1,551	—	—	2,204	4,554	8,309	8,365
4	1,055	—	—	2,131	4,579	7,765	7,689
1979 1	1,042	—	—	2,105	4,584	7,731	8,446
	1,113	—	—	2,105	4,791	8,009	10,620
2	557	—	—	2,003	4,396	6,956	10,163
3	512	—	—	1,975	4,226	6,713	10,305
4	471	—	—	1,955	4,129	6,555	10,129

[1] Data denominated in dollars are converted to sterling at end-period middle-market closing rates. Non-dollar currencies are first converted to dollars using, until end-March 1979, middle or central rates. Thereafter non-dollar currencies are valued in dollars at the average of the middle-market closing rates in the three months to end-March, the average to be revised annually.

[2] Drawings from the IMF, net of repayments by the United Kingdom and drawings of sterling from the IMF by other countries. Excludes interest, charges in sterling, and, from 1972, transactions which affect the UK reserve position in the IMF. (See Table 14 Official financing, and Table 15 UK transactions and position with the IMF.)

[3] Borrowing and assistance with a sterling counterpart.

The change in revenue from an indirect tax change*

I INTRODUCTION

The estimation of the change in revenue resulting from a change in a tax rate is not straightforward. There are a number of concepts of the change in revenue, and a choice has to be made as to the most appropriate one to use in a particular context. This article describes some alternative methods of measuring the change in indirect tax revenue, and defines the one currently used to estimate the direct effects of tax changes in official sources such as the Budget and answers to questions in Parliament.† There is also a brief discussion of how these concepts might apply to a change in income tax.

II EFFECTS OF A TAX CHANGE

When a tax rate changes, people usually alter their purchasing behaviour. Most indirect taxation falls on personal consumption, and so the analysis focusses on consumers' behaviour. An increase in the duty on spirits, for example, will cause some people to consume less spirits and to switch to other beverages and goods and services. It will also reduce their real incomes, which will tend to reduce the total volume of consumer spending. There will be further responses in the economy to the reduction in consumers' expenditure. Incomes of workers and shareholders in the consumer goods industries will fall, leading to a second-round reduction in expenditure. The exchange rate, interest rates and domestic prices and wages may change, in response to changes in demand and supply in the foreign exchange, financial, goods and labour markets. If so, further induced changes in consumption will occur.

The following conventional terminology is used to define the various responses to a change in an indirect tax:

> *Substitution effects* are those changes in the quantities of particular goods and services purchased, on the assumption that consumers' total welfare is unchanged. Relative prices will change, and so there will be a shift in the pattern of consumption. If an individual could be compensated in such a way as to leave him no better or worse off following an increase in the tax, the substitution effect could in principle be observed.
>
> *Income effects* are those changes in the quantities of goods and services purchased, on the assumption that relative prices are unchanged, but that consumers' welfare changes as a result of the tax-induced change in real incomes.
>
> *Second round effects* are the changes in incomes and consumption resulting from all the changes, for example, in gross domestic product (GDP), prices, the exchange rate and interest rates, that are induced by the tax change rather than resulting directly from it. A well-known example of a second round effect is the multiplier effect, which produces a total change in incomes, after those working in consumer goods industries have adjusted their expenditure to the change in their incomes, greater than the initial change in incomes.

These effects do not necessarily take place consecutively. Some second round effects occur soon after a tax change. For example, a change in indirect taxes could quickly affect the exchange rate if it changed expectations in the foreign exchange market about the long run equilibrium level of the rate. On the other hand, substitution effects may take a long time to be completed. While some shift in consumption patterns will occur soon after an indirect tax change, it may take many quarters or even years for them to adjust completely. Partly because of this overlapping of the various effects, but also because substitution and income effects are defined in terms of hypothetical situations, what is observed in reality is the combined result of all three effects. There is no point of time after a tax change, however early, when one can stop the process and say that one is observing only one or two of the three effects. The real world is still further complicated by all the other developments that are taking place, so that direct observation is anyway impossible. The concepts discussed in this article abstract from this by focussing on the effects of a tax change *compared with what would have otherwise happened.*

The consequential effects of the tax change therefore change the tax base, that is the relevant total of expenditure or consumption to which the rate applies. When the duty on spirits rises, the ensuing reduction in consumption of spirits reduces the tax base. This could partially or wholly offset the effects on tax revenues of the increase in the duty. At the same time, of course, consumption will be switched to other goods and services, some of which will also be subject to tax. Their tax base, and total tax revenues, will therefore rise.

The estimation of the change in revenue resulting from a change in the indirect tax rate will therefore depend on the point at which the new tax base is measured. This is defined in terms of two dimensions. First, there is the period of time that has elapsed since the change in tax rate (e.g. one quarter, one year, the long run). The second dimension is concerned with which of the three effects listed above are assumed to operate. For example, one definition would be the change in revenue in the first year assuming that substitution, income and second round effects all operated. Another would be the change in revenue in the long run assuming that only substitution and income effects operated. Clearly, there are a number of alternatives.

A third element of the definition of the change in revenue relates to whether it embraces just the change in revenue from the particular tax whose rate changed or, in addition, the change in revenue from some or all other taxes. Thus, when spirits duty is increased, the change in revenue can be thought of as either the change in revenue from spirits

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* This article has been prepared by the Treasury. It is based on discussions among and contributions from a group of statisticians and economists from the Treasury, Customs and Excise and the Inland Revenue.

† See, for example, *Financial Statement and Budget Report 1980–81*, Table 2, and 'A Tax Ready Reckoner' in *Treasury Background Notes*, a supplement to *Economic Progress Report* March 1980.

duty alone, or the change in revenue from both spirits duty and the taxes on other goods and services. On a wider interpretation, intended to measure the change in the Government's financial position, the definition could be extended to cover induced changes in public expenditure, for example on unemployment benefits.

There are numerous ways of estimating the change in revenue resulting from an indirect tax change. They range from a very simple measure which assumes no substitution, income or second round effects, and hence no change in revenue from other taxes occurs, to a comprehensive measure of the change in all receipts and expenditures allowing substitution, income and second round effects to operate. The latter would be equivalent to the change in the public sector borrowing requirement (PSBR) or public sector financial deficit (PSFD),‡ and it would vary according to the period it referred to (e.g. the first year, the second year or the long run). In between the two extremes is a whole spectrum of measures.

No single measure is clearly superior to the others. All have some meaning; one might be the most useful in one context, and another in a different context. For example, when taxes have to be compared with other policy instruments from the point of view of their effects on monetary growth, the comprehensive PSBR measure may be the most relevant. But, if the objective is to convey an impression of the immediate burden of a change in tax rates, it may be sufficient to use the simplest measure which ignores the substitution, income and second round effects.

In choosing the measure to use in a particular context three broad criteria might be considered: usefulness as a forecast, reliance on formal statistical or econometric estimation, and intelligibility of the concept. As was noted above, for use as a forecast, it is correct in principle to include substitution, income and second round effects, since they all operate in reality. Any measure which excludes one or more of them will not provide a satisfactory forecast of the future change in revenue or in the PSBR. Most possible measures rely to some extent on econometric estimation of economic relationships. The estimation of substitution effects requires estimates of price elasticities; of income effects, estimates of income elasticities; and of second round effects, an articulated model of the economy. The more complex the interactions following the tax change the greater the reliance on estimated economic relationships, which inevitably have a margin of error attached to them. Thus, measures which involve second round effects, and therefore a large number of interacting relationships in a macroeconomic model, will be subject to a considerable margin of error. Finally, some concepts are more intelligible than others. The next section discusses a few of the more obvious and intelligible ones, including the concept currently used in official sources.

III SOME MEASURES OF THE CHANGE IN REVENUE FROM A CHANGE IN INDIRECT TAXES

Alternative measures of the change in revenue from indirect taxes are discussed in this section under four headings:

- *i* no consequent economic effects
- *ii* substitution effects but no income or second round effects
- *iii* substitution and income effects, but no second round effects
- *iv* substitution, income and second round effects

Within each of these, except the first, it is possible either to restrict the definition of the change in tax revenue to the particular tax being changed or to extend it to include in addition changes in revenue from taxes whose rates are not being changed. In the last case, which includes second round effects, it is also possible to include changes in public expenditure.

(i) No consequent economic effects

This measure amounts to applying the proportionate change in tax to an existing forecast or historical estimate of tax revenue. In other words, there is assumed to be no change in the tax base as a result of the tax change. It is approximately proportional to the estimated impact of the tax change on the RPI. It provides a way of comparing the *ex ante* size of two or more tax changes (e.g. 10 per cent increases in both tobacco and spirits duty) for which the tax bases are different. Since no consequent adjustments to economic behaviour are allowed for, this measure does not rely on any estimated economic relationships (except those used for the underlying forecast, which is common to all measures). It is unlikely to provide a reliable forecast of the actual change in revenue.

This can be seen from a comparison of row (*i*) of Table 1 with other rows. For spirits, the measure which allows for no consequent economic effects produces a much larger change in revenue that the others. This is because the consumption of spirits appears to be very responsive to price changes, that is, the price elasticity of demand is high. Consumers therefore substitute away from spirits to a much larger extent than they do from tobacco in the face of a similar price increase. By applying the new tax rate to an unchanged volume of consumption, this measure over-estimates the likely change in revenue resulting from the tax change.

(ii) Substitution effects but no income or second round effects

In this measure, there is assumed to be some hypothetical income compensation, as described above, so that consumers are no worse off after an indirect tax rise, nor better off after a tax fall. However, relative prices change, and this will produce a different pattern of consumption and, hence, tax base. If the tax rate on a commodity is increased, the tax revenue from that commodity will also rise provided that the absolute value of the price elasticity of demand is not too high. The greater the elasticity in absolute terms, the greater the probability that tax revenue from that good will fall, but the greater will be the shift of expenditure towards other commodities, some of which will be taxed. A measure of tax revenue that included changes in revenue from taxes other than the one being changed would be unlikely to fall following a tax increase.

‡ The PSBR is on a cash basis and the PSFD is partially on an accruals basis.

Alternative measures of full year change in net revenue in 1979-80[1]

TABLE 1

	£ million[2]					
	10 per cent increase in tobacco duty			10 per cent increase in spirits duty		
	Tobacco duty and VAT on tobacco	All Customs and Excise taxes	All public sector transactions[3]	Spirits duty and VAT on spirits	All Customs and Excise taxes	All public sector transactions[3]
(*i*) No consequent economic effects . .	293	293	293	133	133	133
(*ii*) Substitution effects, no income effects	184	198	198	13	36	36
(*iii*) Substitution and income effects						
(*a*) Constant consumption at market prices	179	163	163[4]	10	19	19[4]
(*b*) Constant income at market prices	180	174	174	11	25	25
(*iv*) Substitution, income and second round effects[5]	178	173	139	10	26	8

[1] Net revenue is revenue net of expenditure. Row (*iv*) is the only one to include any expenditure.
[2] Figures have been calculated to the nearest £ million to show differences. This precision cannot be relied upon, and estimates for policy and for publication would be rounded.
[3] Reduction in public sector financial deficit.
[4] Assuming that income at current market prices is also constant.
[5] Assuming a floating exchange rate and that interest rates are varied to keep the money supply (£M3) on the same path as in the base.

The second row of Table 1 shows estimates of the change in revenue allowing for substitution effects only. The estimates refer to the long run which is defined in the economist's sense as the period by which consumers are assumed to have adjusted their consumption patterns fully following the tax changes. It may not in practice be longer than a year. An estimate of the long run price elasticity of demand for the commodity on which the tax is being changed is necessary for the calculations. Hence, the measure is dependent on econometric estimation methods. The increase in revenue from the duty being increased is smaller than in row (*i*) because of substitution away from the affected commodity. Some extra revenue is collected from other commodities as a result, but not enough to bring the total change in revenue back to the total in row (*i*).

(iii) Substitution and income effects, but no second round effects

(*a*) *Constant consumption at market prices*

This method has been used, in the form described here, for Customs and Excise taxes and duties since 1973. It evolved from methods which were similar in many respects and which were used for many years before that. Total consumption at current market prices is assumed to be held constant, although this is not the only possible assumption (see below). When a tax is increased, real consumption falls, unlike in the case with hypothetical income compensation where total real consumption remains constant. As a result, the tax base is narrower than in the previous case, and the increase in revenue is correspondingly smaller.

This is illustrated in row (*iii*)(*a*) of Table 1. Again the estimates refer to the long run; consumers are assumed to have fully adjusted their consumption levels and patterns in response to the tax change. It is necessary to have estimates of both price and income long run elasticities of demand for the commodity on which the tax is being changed. The estimates in the columns headed 'All Customs and Excise taxes' are equivalent to those given in official sources and described as *full year* estimates. *First year* estimates are derived from full year estimates by scaling them down to allow for payment and other lags, and for tax changes being implemented after the start of the financial year.

The table shows that the increase in revenue both from the commodity on which the duty is being increased and from other commodities is smaller than when substitution effects alone are permitted (rows (*iii*)(*a*) and (*ii*) compared). This of course reflects lower aggregate real consumption as a result of the income effect. For tobacco, but not spirits, the revenue from taxes on commodities other than the one being increased actually falls. This is because the income effect, tending to reduce consumption of the other commodities, outweighs the substitution effect, tending to increase it. The large substitution effect in the case of spirits prevents a similar occurence there.§

The method just described assumes that total consumption at current market prices remains unchanged following a change in an indirect tax rate. It says nothing about income or saving. A consistent assumption would be that income at current market prices also remained unchanged. In other words, real income, real consumption and real saving would all change by the same proportional amount in response to the change in tax rates.

(*b*) *Constant income at market prices*

An alternative approach would be to start out from the assumption that income at current market prices remained unchanged, but to allow real consumption and real saving to change to *different* extents. In the short run at least, there is evidence that real saving changes much more than real consumption in response to a change in prices and, hence, real income. This approach is therefore more realistic than the assumption of constant consumption at

§ The price and income elasticities are shown in Table 3 in Annex 2.

current market prices. It would result in a smaller initial reduction in real consumption following an indirect tax increase. The increase in tax revenue would therefore be larger, because the tax base would not fall to the same extent.

The measure assuming constant income at current market prices is illustrated in row (*iii*)(*b*) of Table 1. The substitution effect is the same as that underlying row (*iii*)(*a*) and refers to the long run. The income effect was derived from the consumers' expenditure equations in the Treasury model and refers to the first year. The estimated income effect in the long run would show smaller revenue increases than in row (*iii*)(*b*) because consumption would become increasingly depressed as a result of the fall in real incomes. The figures in row (*iii*)(*b*) would move towards those in row (*iii*)(*a*).

The concepts of substitution and income effects discussed in this note and the measures in rows (*ii*) and (*iii*)(*a*) of Table 1 are described in the language of the neo-classical theory of consumers' behaviour in Annex 1. The method of calculating the estimates prepared by Customs and Excise and made available in official sources, as illustrated in row (*iii*)(*a*) of Table 1, is described in Annex 2.

(iv) Substitution, income and second round effects

Second round effects can only be estimated by means of simulations of the tax change on a macroeconomic model. The consequences of the initial changes in incomes and prices for expenditure, inflation and hence the evolution of the tax base over time could only be estimated consistently in this way. Different estimates of the change in revenue would be obtained from different assumptions about the accompanying policies: for example, whether the exchange rate was assumed to be fixed or floating, or whether the growth of money supply was held to a target by means of variations in interest rates or the money supply varied and interest rates were unchanged. Such measures are not therefore unique, but they do provide a basis of comparison between different tax changes if derived from the same economic model using common policy assumptions.

Estimates incorporating substitution, income and second round effects are shown in row (*iv*) of Table 1. They assume substitution and income effects as in row (*iii*)(*b*). The substitution effects therefore refer to the long run and the income effects to the first year. The second round effects, which were estimated from a simulation on the Treasury model, refer to the first year and assume a floating exchange rate and money supply not varying from target. Although the substitution effect refers to the long run, it is not unreasonable to regard the estimates as a whole as referring to the first year. This is equivalent to assuming that the substitution effects have fully taken place after one year. In principle it should be possible to produce estimates which refer to the long run and which incorporate all effects. But in practice the long run properties of a large macroeconomic model such as the Treasury model are not easy to define, and hence second round effects which refer to the long run cannot be readily estimated.

Unlike those in rows (*i*) to (*iii*), the figures in the column headed 'All public sector transactions' in row (*iv*) of Table 1 differ from those in the column headed 'All Customs and Excise taxes'. This is because once second round effects are allowed to operate, changes occur in the tax base of taxes other than the indirect taxes, especially income tax, corporation tax and national insurance contributions. There are also changes in other public sector transactions, including public corporations' trading surpluses and unemployment benefits. The combined effect of all these factors is the change in the public sector financial deficit (PSFD).

The figures in row (*iv*) of Table 1 are all lower than those in the earlier rows. This is because the tax increases lead to a second round reduction in the level of activity in the economy, and hence in the tax base. The change in 'All public sector transactions' (equivalent to the change in the public sector financial deficit with the sign reversed) is smaller than the change in 'All Customs and Excise taxes' although it is the same in other rows. This is because it includes the reduction in revenue from other taxes, the fall in public sector trading surpluses and the rise in unemployment benefits. The effect of taking account of substitution, income and second round effects is to reduce the impact on the public sector deficit of a 10 per cent increase in spirits duty from £133 million when no consequent economic effects occur to only £8 million. The difference between spirits and tobacco arises from the different price elasticities, giving rise to different substitution effects. The income and second round effects are similar in the two cases.

IV INCOME TAX

This article is about indirect taxes, but many of the same arguments can be applied to changes in income tax. In particular, the four classes of measure of revenue change discussed in the last section are also relevant. The measure used by the Inland Revenue when estimating the change in revenue resulting from a change in the rates or allowances of income tax does not allow for any economic effects or responses to the tax change itself. However, the tax base for the estimation of the change in revenue from an income tax change in the Budget is a forecast of incomes after the Budget.

The relevant *substitution* effect with income tax is that between work and leisure. When income tax is increased, the price of leisure, in the sense of the opportunity cost of not working, falls, and workers might be expected to substitute leisure for work. A fall in total hours worked or in numbers in employment might occur. The income tax base would therefore be lower, and the increase in revenue following the tax increase would be less than in the 'no consequent economic effects' case. There would also be effects on the base for indirect taxes, since lower income would mean lower consumption.

The *income* effect is the reduction in leisure that takes place as workers work harder in an attempt to prevent their disposable income,‖ and hence consumption of goods and services, from falling too much. Taking substitution and income effects together, the net effect on leisure is

‖ Disposable income is used in its conventional sense here, and no account is taken of a change in real income due to any changes in public expenditure that might be associated with changes in incomes tax.

unclear because they act in opposite directions. If it is zero, that is if there is no change in labour supply measured in man-hours, then there will also be no change in gross income. In other words the tax base will be unchanged following a change in income tax, and assuming that only substitution and income effects operate.

The relative size of the substitution and income effects is an empirical question. In practice they have proved difficult to estimate. The generally agreed conclusion is that, with the exception of married women (for whom substitution effects are important and significantly outweigh income effects), the combined effects at the aggregate level are likely to be small. This does not rule out the possibility, however, that for some particular groups of workers such effects may be important.

When income tax is increased, even if there is no change in labour supply or gross income, disposable income will fall. In the *second round* consumption will fall and there will be a series of induced changes in income, expenditure and prices. Not only will the income tax base, and hence revenue, change, but so will various other public sector transactions, including revenue from indirect taxes, the national insurance surcharge and corporation tax, public corporation surpluses, and unemployment benefits. Again, a macroeconomic model is required to estimate the net effect on either income tax alone or all public sector transactions (the PSBR or PSFD).

V SUMMARY AND CONCLUSIONS

This article has shown that the change in revenue following a change in a tax rate is not a unique concept. A large number of alternative measures can be found, differing from one another according to the extent of the consequential changes in the tax base that are included, the time periods they refer to, and whether or not they include changes in other public sector receipts or expenditures as well as changes in revenue from the tax being changed. Four types of measure of the effect of an indirect tax change were discussed, defined in terms of the extent of consequential changes:

(*i*) no consequential economic effects;

(*ii*) substitution effects only;

(*iii*) substitution and income effects only;

(*iv*) substitution, income and second round effects.

Specific estimates, further defined in terms of the time period, were provided as illustrations of each class (Table 1). They included alternative estimates for the change in revenue from the goods under consideration, for that from all Customs and Excise taxes, and for the change in all public sector transactions. A brief discussion indicated how similar concepts and arguments could be applied to changesin income tax.

Different measures may be appropriate in different contexts. For example, a comprehensive measure embracing all consequent effects and all public sector transactions may be most appropriate for macroeconomic policy-making. This is especially so when the main objective of policy-making is to keep within some overall constraint such as a target rate of monetary growth or a target PSBR. Less comprehensive measures may be more appropriate for other purposes, such as to convey an impression of the immediate burden of a tax change. Such measures could not be regarded as forecasts of the change in revenue that was likely to occur because by definition they omit some of the relationships that obtain in reality. But compared with the comprehensive measure they place less reliance on econometrically estimated relationships and so they may be subject to smaller margins of error.

The measure, now used in official sources, of the full year change in revenue from an indirect tax change assumes that substitution and income effects, but no second round effects, operate. It refers to the long run and it covers the change in revenue from all indirect taxes. The Government would welcome comments from users of the published estimates about the usefulness of this particular concept in comparison with an alternative concept, whether or not it is one discussed in this article.¶

¶ Comments should be sent to either Departmental Planning Unit, HM Customs and Excise, King's Beam House, Mark Lane, London EC3R 7HE, or FP3 Division, HM Treasury, Parliament Street, London SW1P 3AG. If readers wish to comment on measures of the change in revenue from income tax they should write to either Statistics Division, Inland Revenue, 26 Duchy Rooms, Somerset House, London WC2R 1LB, or the Treasury at the above address.

HM Treasury

ANNEX 1

The neo-classical theory of consumers' behaviour

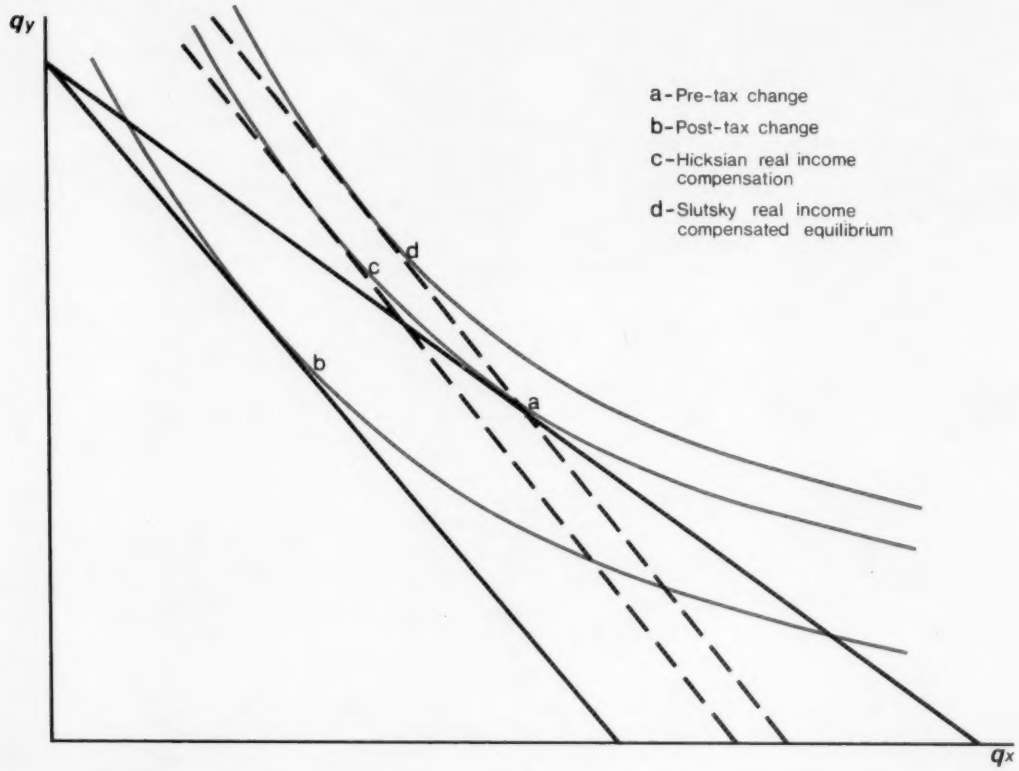
The neo-classical theory of consumers' behaviour provides a means of analysing substitution and income effects. This annex sets out those elements which are most useful for illustrating the discussion in sections III (ii) and III (iii).

For ease of exposition we adopt the usual assumptions that there are only two goods and that consumers spend a fixed amount of money on them. This permits the presentation of the analysis in a two-dimensional diagram, as in Figure 1. The axes measure the quantities, q_x and q_y, of the two goods X and Y. Each diagonal represents a set of baskets of goods that can be purchased with given total money expenditure and prices of X and Y. Diagonals are called budget lines. Their distance from the origin measures total expenditure, and their slope the relative prices of X and Y. The curves are indifference curves linking positions of equal utility. The further a curve is from the origin the greater the utility. Consumers are assumed to maximise their utility. They do this by choosing that combination of X and Y which puts them on the highest indifference curve which their total expenditure permits. It can be readily seen that this occurs when the relevant budget line is tangential to an indifference curve.

Before indirect taxes change it is assumed that prices and total expenditure are such that the relevant budget line is that which passes through point (a). Now assum that the tax on X is increased. With the same total expenditure, less of X can be bought but the same amount of Y. The budget line therefore swivels about the point where it cuts the q_y axis, as is shown by the line which passes through (b). Before the tax change the quantities of goods which provide the maximum achievable utility are given by point (a). After the tax change they are given by (b). Less of X is purchased at (b) than at (a). More or less of Y may be purchased depending on whether the substitution effect, tending to increase q_y, outweighs the income effect, tending to reduce q_y.

The movement from (a) to (b) may be subdivided into substitution and income effects. Consider point (c). It is on the same indifference curve as (a), and hence the movement from (a) to (c) maintains utility at a constant level. If relative prices are those obtaining after the increase in tax on X, so that the budget line must have the same slope as that through (b), point (c) represents the basket of goods that consumers would choose at that constant utility level. The movement from (a) to (c) is therefore the substitution effect, brought about by the change in prices. Of course, consumers would only purchase the goods represented by (c) if they were given a sum of money which compensated them for the fall in real income caused by the tax increase. The real income

Figure 1



compensation necessary to allow consumers to stay on the initial indifference curve is called Hicksian because of the pioneering work by Hicks[1].

The movement from (c) to (b) is the income effect. Relative prices are the same at both points, and all that changes is the total money expenditure which consumers can afford. Utility therefore falls. In effect the Hicksian real income compensation necessary to maintain consumers at (c) is being withdrawn. The distance between (c) and (b) represents the size of the income compensation.

Thus the movement from initial point (a) to final point (b) can be divided into substitution effect, taking it to (c), and an income effect, taking it on to (b). (It is also possible to show the income effect before the substitution effect, in which case the intermediate point would be where the budget line with slope given by the initial relative prices of *X* and *Y* was tangential to the indifference curve through (b).) The substitution effect causes an increase in the quantity of *Y* purchased and a decrease in the quantity of *X* purchased. The income effect causes the quantities of both *X* and *Y* to fall[2]. The combined effect on *X* is clearly reduced consumption; that on *Y* is ambiguous, and it depends on the relative sizes of the substitution and income effects, as measured by price and income elasticities of demand.

This analysis is 'comparative statics' in nature. In other words, it compares various equilibrium situations. In practice it may take some time for consumers to move from one equilibrium to another. Another way to describe the analysis is therefore as long-run analysis: it shows the position reached after the full adjustment to the tax change has taken place. This use of the long run corresponds to that used in the article. Another feature of this analysis is that it assumes that there are no second round effects operating which could alter the budget line again.

Section III(ii) of the article discussed a measure of the change in revenue which assumed that only substitution effects occur. One way to arrive at this would be to work out the quantities represented by point (c) in Figure 1, and then calculate the difference between the tax receipts at those quantities and the new tax rates, and those at the original quantities (point (a)) and tax rates. Unfortunately, there is no way of measuring the quantities at (c), because it requires knowledge of the shape of the indifference curve. An approximation to it is point (d). To reach it, more income compensation than for (c) must be provided, since the objective is to provide sufficient to enable the original quantities, point (a), to be purchased at the new prices. Point (d) therefore has to lie on the budget line with slope given by the post-tax change relative prices. The name of Slutzky is given to the real income compensation necessary to reach (d)[3]. Since total expenditure at the new prices is the same at (d) and (a), the quantities at (d) can be calculated from those at (a) from knowledge of the change in the price of *X* and the price elasticities of demand for *X* and *Y*.

A measure of revenue change which permitted both income and substitution effects to operate was discussed in section III(iii)(a) of the article. It is calculated as the difference between the tax receipts at the quantities represented by point (b) and the new tax rates, and those at the original quantities (point (a)) and tax rates. It refers to the long run (i.e. comparative statics equilibrium), and it does not include second round effects. This is the measure used by Customs and Excise for the estimates published in official sources. The other measure of revenue change which permits both income and substitution effects to operate cannot be easily illustrated in Figure 1, because it involves a change in total expenditure at current market prices.

The differences between points (a), (b) and (d) can be illustrated with a numerical example, as set out in Table 2. Initially consumption at current market prices is 100, and 50 units each of the two goods, *X* and *Y*, each with unit prices, are purchased. A tax is imposed on *X* so that its price rises by 20 per cent to 1·2. The changes in the quantities of *X* and *Y* consumed when there is no real income compensation, and when there is Slutzky real income compensation, are shown. It is assumed that the demand for *X* has price elasticity of −0·8 and real income elasticity of unity, and that the demand function is double-logarithmic, as shown in equation (6) of Annex 2[4].

The table shows that, on these assumptions, less of *X* and more of *Y* is consumed when both income and substitution effects occur (row *2*). When the loss of real income is compensated according to the Slutzky criterion (row *3*), more of both *X* and *Y* are consumed relative to when there is no real income compensation, but, relative to the initial position, consumption of *X* is still lower. This provides a measure of the pure substitution effect following the tax or price change. (The quantities of *X* and *Y* are in the same proportions in rows *2* and *3* because of the assumption of unit income elasticity of demand. They will not be so in general.)

[1] J. R. Hicks, *Value and Capital* (Oxford University Press, 2nd Edition, 1946) chapters 1–3.

[2] This assumes that neither *X* nor *Y* is an 'inferior' good, which is a good the demand for which falls when real income rises. Potatoes is the traditional example: as income rises consumers buy fewer potatoes and more meat.

[3] The original source is E. Slutzky, 'Sulla Teoria del bilancio del consumatore', *Giornale degli Economisti* July 1915, translated in *Readings in Price Theory*, American Economic Association, (Holt, Rinehart and Winston, 1952).

[4] It is also assumed that the cross-price elasticities of demand for *X* and *Y* and the income elasticity of demand for *Y* are such that the demand functions for *X* and *Y* satisfy the aggregation restrictions. This assumption makes it permissible to estimate the quantity of *Y* demanded as a residual, since the same answers are obtained as would be if the demand function were used. Another assumption necessary for row *2* is that the change in real income is obtained as the reciprocal of the Laspeyres price index.

Effects of a change in price

TABLE 2

	Consumption at current market prices	Prices		Physical units		Position in figure 1
		p_x	p_y	q_x	q_y	
1 Before price change	100	1	1	50	50	(a)
After price change						
2 No real income compensation . .	100	1·2	1	39·3	52·9	(b)
3 Slutzky real income compensation . .	110	1·2	1	43·2	58·2	(d)

Sources

Row *2*. $q_x = 50(1{\cdot}2)^{-0{\cdot}8}\left(\frac{1}{1{\cdot}1}\right)^{1} = 39{\cdot}3$ $q_y = 100 - (1{\cdot}2)(39{\cdot}3) = 52{\cdot}9$ Consumption = 100 by definition

Row *3*. $q_x = 50(1{\cdot}2)^{-0{\cdot}8} = 43{\cdot}2$ $q_y = 110 - (1{\cdot}2)(43{\cdot}2) = 58{\cdot}2$ Consumption = 100 x 1·1

ANNEX 2

The change in revenue from an indirect tax change

This annex sets out formally the current method of estimating the change in revenue from an indirect tax change. There are three sections: the first summarises the method algebraically; the second gives an arithmetic example; and the third presents the parameters which are necessary to calculate the change in revenue.

Algebra

The following notation is used:

p = price per unit of quantity.

t = tax per unit of quantity.

q = quantity.

Subscripts $_T$ for commodity the tax on which changes.
$_{NT}$ for all other commodities.

Superscripts: no superscript for pre-tax-change period (prime) for post-tax-change period.

It is assumed that the taxed commodity and all other commodities can be treated as two homogeneous goods. This is not always a correct assumption for the taxed commodity (e.g. when VAT changes), and it is certainly not correct for all other commodities. The assumption therefore introduces some inaccuracies.

The change in revenue from consumers is $(\Sigma t'q' - \Sigma tq)$. It is assumed that total expenditure at current market prices is unchanged, that is:

$$\Sigma p'q' = \Sigma pq \qquad (1)$$

The change in tax per unit of quantity is fully reflected in the change in price per unit of quantity, that is:

$$(t'_T - t_T) = (p'_T - p_T) \qquad (2)$$

and $(t'_{NT} - t_{NT}) = (p'_{NT} - p_{NT}) = 0$ since the tax rate does not change on other commodities. (3)

Therefore:

$$\Sigma t'q' - \Sigma tq =$$
$$(t'_T q'_T - t_T q_T) + (t'_{NT} - t_{NT})\, q'_{NT} + t_{NT}(q'_{NT} - q_{NT})$$

$$= t_T q_T \left(\frac{t'_T}{t_T} \cdot \frac{q'_T}{q_T} - 1\right) + \frac{t_{NT}}{p_{NT}}\left(p'_{NT}\, q'_{NT} - p_{NT}\, q_{NT}\right)$$

from (3)

$$= t_T q_T \left(\frac{t'_T}{t_T} \cdot \frac{q'_T}{q_T} - 1\right) +$$

$$\frac{t_{NT}}{p_{NT}}\left(\Sigma p'q' - p'_T q'_T - \Sigma pq + p_T q_T\right)$$

$$= t_T q_T \left(\frac{t'_T}{t_T} \cdot \frac{q'_T}{q_T} - 1\right) - \frac{t_{NT}}{p_{NT}}\left(\frac{p'_T}{p_T} \cdot \frac{q'_T}{q_T} - 1\right) p_T q_T$$

from (1) (4)

The first term measures the change in revenue from the good whose tax is being changed. It incorporates the effects of both the change in the tax rate itself (t'_T/t_T) and the resulting change in quantity (q'_T/q_T). The second term measures the change in revenue from all other goods.

There are seven variables in (4). Four of them are initial conditions:

consumers expenditure on the commodity T:	$p_T q_T$
revenue received from consumers on T:	$t_T q_T$
the proportion of tax in the price of T:	t_T/p_T
the proportion of tax in the price of other commodities:	t_{NT}/p_{NT}

One is the change in tax itself (t'_T/t_T). The other two are the changes in the price and quantity of commodity T.

The change in price is given by the change in tax:

$$\frac{p'_T}{p_T} = 1 + \frac{t_T}{p_T}\left(\frac{t'_T}{t_T} - 1\right) \quad \text{from (2)} \qquad (5)$$

The change in quantity is estimated from a double logarithmic demand function:

$$\frac{q'_T}{q_T} = \left(\frac{p'_T}{p_T}\right)^{Ep} \left(\frac{Y'}{Y}\right)^{Ey} \qquad (6$$

where Y = total real expenditure, and Ep and Ey are the own price and total expenditure elasticities respectively.

The change in total real expenditure is calculated by deflating the change in total nominal expenditure, which is of course assumed to be constant, by a Laspeyres price index:

$$\frac{Y'}{Y} = \frac{\Sigma p'q' \,/\, \Sigma pq}{\Sigma p'q \,/\, \Sigma pq} = \frac{\Sigma pq}{\Sigma p'q} \quad \text{from (1)} \qquad (7)$$

$$\Sigma p'q = \Sigma \frac{p'}{p} \cdot pq = \frac{p'_T}{p_T}\, p_T q_T + \frac{p'_{NT}}{p_{NT}}\, p_{NT}\, q_{NT}$$

$$= \frac{p'_T}{p_T}\, p_T q_T + \Sigma pq - p_T q_T \quad \text{from (3)}$$

$$= \Sigma pq + \left(\frac{p'_T}{p_T} - 1\right) p_T q_T \qquad (8)$$

Hence Y'/Y and q'_T/q_T can be calculated from (6), (7) and (8), given the elasticities, total consumers expenditure before the tax change (Σpq), and variables already mentioned $(p'_T/p_T$ and $p_T q_T)$.

The discussion so far has been about the change in revenue from consumers. It is necessary to add the change in

revenue from businesses in order to arrive at the total change in revenue. In practice it is assumed that the revenue received from businesses on the good whose tax is being changed changes in the same proportion as that paid by consumers; and that there is no change in the revenue received from businesses on other goods. Thus if P is the proportion of the tax falling on goods bought by consumers, the change in revenue from consumers on the good whose tax is being changed is grossed up by the factor $\frac{1}{P}$ to give the total change in revenue:

$$\frac{1}{P} t_T q_T \left(\frac{t'_T}{t_T} \cdot \frac{q'_T}{q_T} - 1 \right) - \frac{t_{NT}}{p_{NT}} \left(\frac{p'_T}{p_T} \cdot \frac{q'_T}{q_T} - 1 \right) p_T q_T \quad \text{from (4)} \qquad (9)$$

Arithmetic example

Consider the case of an increase in tobacco duty of 10 per cent. Because of the way in which the specific duties interact with VAT, this gives rise to an increase in total tax (duty and VAT) per unit of quantity of 9·6 per cent. The increase in price is therefore 7·5 per cent because the proportion of tax in the price of tobacco in 1979–80 is 0·78 per cent (equation (5) above).

Tobacco has a weight of 3·3 per cent in total consumers' expenditure in 1979–80 so that the increase in all consumer prices is 0·25 per cent (3·3 × 7·5 ÷ 100). The fall in total real expenditure assuming that total nominal expenditure is held constant is therefore also about 0·25 per cent (equations (7) and (8)).

The fall in the quantity of tobacco consumed is calculated from the increase in price of 7·5 per cent, the fall in total real expenditure of 0·25 per cent and the assumed price and income elasticities of −0·46 and 0·63 respectively (Table 3).

Proportionate change in quantity = $(1{\cdot}075)^{-0{\cdot}46}$ $(0{\cdot}9975)^{0{\cdot}63}$ = 0·966 (equation (6)). Thus quantity falls 3·4 per cent, almost all of the fall being attributable to the price effect.

The change in tax from tobacco is calculated from the combined effect of the increase in the tax per unit of quantity of 9·6 per cent and the reduction in quantity of 3·4 per cent. There is an increase of 5·9 per cent (1·096 × 0·966 × 100 − 100). If the tax collected from consumers at the original tax rate was £3,050 million, the increase in revenue from consumers would be £180 million (equation (4)). The increase in revenue from consumers and business would be £182 million (180 ÷ 0·99) because 0·01 of tobacco duty falls on tobacco bought by businesses (equation (9)).

Consumers' expenditure at current market prices on tobacco rises by 3·8 per cent, made up of a rise in prices of 7·5 per cent and a fall in quantity of 3·4 per cent (3·8 = 1·075×0·966×100 − 100). If consumers' expenditure on tobacco was originally £3,910 million, the absolute increase is £149 million. Assuming that total consumers' expenditure at current market prices is unchanged, there will be £149 million less to spend on other goods and services. Non-tobacco revenue will therefore fall by £16 million (0·11 × 149), since the proportion of tax in the price of other goods and services is 0·11 (Table 3) (equation (4)).

The net increase in revenue from the 10 per cent increase in tobacco duty is therefore the difference between the increase in revenue from tobacco (£182 million) and the fall in revenue from other goods and services (£16 million), that is £166 million (equation (9)). These estimates are in principle the same as those in row (*iii*)(*a*) of Table 1; the small differences are the result of rounding errors.

Parameters

Table 3 shows the parameters that are necessary to calculate the change in revenue. The price and income elasticities were estimated from time-series data on prices, income and quantities. They are subject to a considerable margin of error, and so small differences between elasticities are not reliable. However, large differences, such as those between the price elasticities of wine and spirits on the one hand and those of beer, tobacco and road fuel on the other, are probably realistic. Other investigators have estimated different elasticities using different data series, time periods, model specifications and estimation techniques. The

Parameters for calculating the change in full year revenue

TABLE 3

	Own-price elasticity	Income elasticity	Proportion of tax in price of goods on which tax changes	Proportion of tax in price of other goods	Proportion of tax falling on inter-mediate goods
VAT	−0·3	1·2	0·13	0·01	0·09
Car tax	−0·4	1·0	0·20	0·12	0·5
Beer	−0·2	0·7	0·33	0·12	0·02
Wine	−1·1	2·5	0·36	0·12	0·07
Spirits	−1·6	2·2	0·57	0·12	0·08
Tobacco	−0·5	0·6	0·78	0·11	0·01
Road fuel:					
Petrol	−0·2	0·3	0·53	0·12	0·36
Derv	−0·2	0·3	0·39	0·12	1
Algebraic notation	E_p	E_y	t_T/p_T	t_{NT}/p_{NT}	$(1-P)$

estimates in Table 3 are often re-examined, and they may be changed in the future.

The proportion of tax in the price of goods was estimated from data of tax receipts and consumers' expenditure, by commodity. The proportion of tax falling on intermediate goods is derived from input-output tables.

Estimates of the change in revenue calculated according to the method set out in this annex for a number of illustrative changes in indirect taxes are available in *Treasury Background Notes* published as a supplement to the March 1980 issue of *Economic Progress Report*.

Trends in sales of land and buildings 1973—79

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Introduction

This article gives detailed estimates of the sales of land and buildings in England and Wales in November 1978, based on a survey during that month, and comprehensive quarterly figures for all sales over £100,000 in England and Wales. Secondly, it gives less detailed monthly and quarterly estimates up to the end of 1979 of sales based upon stamp duty data. Thirdly, from the fourth quarter of 1976 it provides separate estimates for the total value of sales of residential and non-residential property. Finally, it provides some estimates of the incidence of stamp duty by price range and type of property.

The basic data, sampling procedure, grossing up methods and methods of classification are the same as those described in the previous articles.*

BROAD TRENDS

England and Wales

The value of sales of land and buildings has been increasing each year since 1974. In 1979 it rose by 25 per cent above the 1978 level to reach £23 thousand million (Table A and Chart 3). The increase between 1978 and 1979 reflects the large rise in property values. The actual number of sales in 1979 was about 5 per cent less than in 1978.

Table B provides separate estimates for sales of residential and non-residential property since 1977. It shows a larger percentage increase in the value of sales of non-residential property between 1978 and 1979 than for residential property. But a large proportion of the value of sales of non-residential property is from transactions over £100,000 and it is more appropriate in non-residential property to use the comprehensive statistics of these transactions. These are discussed in more detail in a later section.

Scotland and Northern Ireland

Information for these countries is confined to stamp duty data based on sales over £15,000. The values of these sales above £15,000 showed a slightly smaller percentage increase between 1978 and 1979 in Scotland and Northern Ireland than in England and Wales (Table C and Chart 4). More detailed information by month is given in Appendix Table 4.

* Last year's article, 'Trends in sales of land and buildings, 1973–77', appeared in *Economic Trends*, No. 305, March 1979.

Value of sales of land and buildings in England and Wales, by broad price range

TABLE A

	£ thousand million					
	Below £15,000	£15,000 to £20,000	£20,000 to £25,000	£25,000 to £30,000	Above £30,000	Total
1973	5·72	—	—	—	—	11·92
1974	5·25	—	—	—	—	9·93
1975	7·27	1·36	0·89	0·48	2·27	12·27
1976	6·83	1·69	1·08	0·66	3·14	13·41
1977	7·03	2·03	1·23	0·83	3·65	14·76
1978	6·59	3·07	1·94	1·39	5·86	18·86
1979	4·20	4·30	3·00	2·32	9·72	23·54
1978 *1*	1·76	0·62	0·36	0·25	1·30	4·28
2	1·80	0·74	0·45	0·32	1·28	4·59
3	1·62	0·81	0·53	0·38	1·49	4·84
4	1·41	0·91	0·60	0·44	1·79	5·15
1979 *1*[1]	1·36	0·81	0·52	0·39	1·36	4·43
2[1]	0·97	1·04	0·73	0·56	2·39	5·69
3	0·96	1·25	0·87	0·68	2·83	6·59
4[2]	0·91	1·20	0·88	0·69	3·14	6·82

Source: Stamp duty data
Statistics of numbers of conveyances

Note: Components may not add precisely to totals because of rounding.

[1] Due to industrial action several sales in the first quarter have not been included until the second quarter.
[2] The figures for the fourth quarter of 1979 are provisional.

Value of sales of land and buildings in England and Wales, by type of property

TABLE B

	£ thousand million		
	Residential	Non-residential	Total
1977	12·15	2·61	14·76
1978	15·24	3·62	18·86
1979	18·72	4·81	23·54
1978 *1*	3·47	0·81	4·28
2	3·75	0·84	4·59
3	3·95	0·89	4·84
4	4·07	1·08	5·15
1979 *1*[1]	3·54	0·89	4·43
2[1]	4·47	1·22	5·69
3	5·29	1·30	6·59
4[2]	5·42	1·40	6·82

Source: Survey and stamp duty data
Statistics of number of conveyances

Note: Components may not add precisely to totals because of rounding.

[1] Due to industrial action several sales in the first quarter have not been included until the second quarter.

[2] The figures for the fourth quarter of 1979 are provisional.

Value of sales of land and buildings in the United Kingdom: transactions over £15,000

TABLE C

	£ thousand million			
	England and Wales	Scotland	Northern Ireland	United Kingdom
1973	6·20	0·24	0·03	6·47
1974	4·68	0·32	0·05	5·04
1975	5·00	0·32	0·05	5·37
1976	6·58	0·49	0·08	7·15
1977	7·74	0·63	0·11	8·48
1978	12·26	0·92	0·17	13·35
1979	19·33	1·25	0·25	20·83

Source: Stamp duty data

Note: Components may not add precisely to totals because of rounding.

RESULTS OF THE 1978 SURVEY OF CONVEYANCING

As in previous years a survey of all sales was conducted during one week towards the end of the year (November 1978 in this case) and the results grossed up, using stamp duty data, to provide estimates for England and Wales for that month. Table D (and Chart 1) compares the number and value of sales with those from previous years. The November 1978 figures demonstrate the continuing rise in the value of sales of residential property, and show that the number of transactions remained about the same as in November 1977. The value of sales of non-residential property in November 1978 had almost reached the high level of October 1973, although the number of transactions had increased.

More detailed information by price range is given in Appendix Table 1. In November 1978 there were far fewer sales of residential property below £15,000 and many more above £15,000 than in previous years. This is not true for sales of non-residential property, but here there are a far larger proportion of leasehold sales in the lower ranges. Many of these leasehold sales will be properties sold for a low price but involving a high rent and will not necessarily be rising in value in line with freehold properties. The relationship between price, rent and the length of the lease for leasehold property sales was discussed in last year's article.* The value of sales in different price ranges is discussed in more detail in the section on stamp duty.

Regional analysis

The numbers and values of sales of residential and non-residential property in England and Wales analysed by standard region are shown in Table E. This compares sales in November 1978 with those in November 1977. A further sub-division by type of property for November 1978 is given in Appendix Table 2. For residential property the number of sales decreased slightly in most regions; but because of the increase in the prices of residential property the value of sales increased in all regions. The largest increase in the value of sales was in Wales, where there was also an increase in the number of sales. For non-residential property there was, in general, an increase in both the number and value of sales, except in the South East where the value of sales has decreased slightly, owing to a

Number and value of sales of land and buildings in England and Wales, by type of property

TABLE D

	Number (thousands)			Value (£ million)		
Survey month	Residential[1]	Non-residential	Total	Residential[1]	Non-residential	Total
Oct 1973	93	16	109	760	365	1,125
Oct 1974	84	13	97	786	180	967
Nov 1975	90	13	103	879	156	1,035
Nov 1976	98	15	113	1,021	194	1,214
Nov 1977	109	16	125	1,286	296	1,582
Nov 1978	108	20	128	1,508	364	1,872

Note: Components may not add precisely to totals because of rounding.

[1] Including multiple transactions.

Source: Survey data

Number and value of sales of land and buildings in England and Wales, by type of property and standard region

TABLE E

Standard region	Residential[1]		Non-residential		All properties	
	Nov 1977	Nov 1978	Nov 1977	Nov 1978	Nov 1977	Nov 1978
	Number (thousand)					
North	5·0	5·3	0·7	0·9	5·7	6·2
Yorkshire and Humberside	10·2	10·0	1·3	1·7	11·5	11·8
East Midlands	8·4	7·9	1·5	1·8	10·0	9·7
East Anglia	3·4	3·4	0·9	1·1	4·3	4·5
South East[2]	24·6	24·2	3·8	4·3	28·4	28·5
Greater London	14·6	14·6	2·0	2·7	16·6	17·4
South West	10·8	10·6	1·9	2·4	12·7	12·9
West Midlands	11·5	11·2	1·6	2·0	13·1	13·2
North West	15·7	14·8	1·3	1·8	17·0	16·6
Wales	5·1	5·8	1·1	1·3	6·2	7·0
England and Wales	109·4	107·8	16·1	20·0	125·5	127·8
	Value (£ million)					
North	46·9	53·3	9·0	12·5	55·9	65·8
Yorkshire and Humberside	89·3	100·8	15·9	20·9	105·1	121·7
East Midlands	79·6	88·8	24·3	26·7	103·9	115·5
East Anglia	39·0	45·6	11·3	18·9	50·3	64·5
South East[2]	386·4	448·2	83·8	82·3	470·3	530·5
Greater London	219·9	261·6	72·6	84·2	292·5	345·7
South West	144·5	171·7	25·5	39·5	170·0	211·2
West Midlands	100·8	123·9	24·4	36·5	125·2	160·4
North West	128·0	147·3	15·4	24·2	143·4	171·5
Wales	51·8	67·1	13·4	18·5	65·2	85·6
England and Wales	1,286·2	1,508·3	295·7	364·2	1,581·9	1,872·4

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Excluding Greater London.

Value of sales and purchases of land and buildings in England and Wales by sector

TABLE F

£ million

Survey month	Sector	Residential[1]			Non-residential			All properties		
		Sales	Purchases	Net sales	Sales	Purchases	Net sales	Sales	Purchases	Net sales
Nov 1977	Individuals	1,048	1,236	−188	95	82	13	1,143	1,318	−175
	Property companies	162	21	142	93	56	37	256	77	179
	Other companies	13	7	6	51	51	—	64	57	7
	Unclassified companies	14	5	9	14	18	− 4	28	23	5
	Local authorities	24	10	14	6	10	− 4	30	20	10
	Others[2]	25	7	17	36	78	−43	61	86	− 25
	Total	1,286	1,286	—	296	296	—	1,582	1,582	—
Nov 1978	Individuals	1,197	1,443	−246	139	117	22	1,337	1,560	−223
	Property companies	209	30	179	90	69	21	299	100	199
	Other companies	16	8	8	64	63	1	80	71	9
	Unclassified companies	17	9	8	14	26	−12	31	35	− 4
	Local authorities	40	10	30	11	13	− 2	51	24	27
	Others[2]	29	8	21	46	76	−30	75	83	− 8
	Total	1,508	1,508	—	364	364	—	1,872	1,872	—

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Including central government, nationalised industries, banks and insurance companies.

decrease in the value of leasehold sales. Regional figures for previous years back to October 1973 were published in last year's article.

Analysis of sector of seller and purchaser

Sales and purchases by sector are shown in Table F and Chart 2 and a cross-classification is given in Appendix Table 3.

The picture in November 1978 is similar to that in November 1977 with individuals being the net purchasers of residential property and property companies the largest net sellers. For non-residential property, individuals and property companies were net sellers and 'others' (mainly the financial institutions) were the largest net purchasers.

ANALYSIS OF LARGE CASES IN ENGLAND AND WALES

Although these one-week surveys can provide a broad indication of trends in sales, they cannot be expected to provide reliable figures on transactions in the higher price ranges where the number of sales are fewer and the type of property can vary considerably. A comprehensive coverage of all cases over £500,000 was therefore initiated in the second quarter of 1974, and in the fourth quarter of 1976 this was extended to all cases over £100,000.

Quarterly figures are shown in Table G and illustrate the large percentage increases in the value of sales of residential property above £100,000, and the small percentage increases in the value of sales of non-residential property above £100,000. (The number of transactions increased by about 100 and 40 per cent respectively.) It is interesting to note that over 50 per cent of all sales of non-residential property (by value) are above £100,000.

Table H analyses the sales in 1978 by sector of seller and purchaser. In the case of residential property, individuals were the largest net sellers and property companies and unclassified companies (which are likely to include property companies that could not be specifically identified as such) were the main net purchasers. In the case of land, individuals were also the largest net sellers, and the largest net purchasers were companies and insurance companies—the former, presumably, for development and the latter for investment. The category 'insurance companies' also includes pension funds (where these can be identified) but the figures will underestimate transactions by insurance companies and pension funds because they will sometimes purchase (and sell) property through a nominee company. In this case the transaction will be recorded as either a sale or purchase by a property company or an unclassified company. It should also be pointed out that purchases (or sales) by property unit trusts (in which pension funds invest) would be carried out by a bank and would be recorded as a purchase (or sale) by a bank. As would be expected commercial property is mainly sold by property companies and purchased by insurance companies and pension funds.

TRANSACTIONS IN LEASEHOLD PROPERTY

In last year's article we included an analysis of leasehold property sales—analysing the rent, the number of years to run on the lease and whether the lease was new or already existed. As would be expected the relationships between these variables was similar in November 1978 to those in November 1977. We have, therefore, only included a summary table (Table J) comparing the number of transactions in the two months. This shows that the number of sales of new leases has increased at a higher level than existing leases and that the largest increase was in sales of new leases on non-residential property.

THE INCIDENCE OF STAMP DUTY

Figures of the receipts of stamp duty are published annually in *Inland Revenue Statistics*. The table below shows for the years 1974/75 to 1978/79 the total stamp duty on land and buildings and the total of all stamp duties, together with estimates for 1979/80. This table shows the way in which land and buildings have recently been increasing their contribution. For the last two years the duty on land and buildings has exceeded that on stocks and shares and has thus replaced that duty as the largest constituent of the total receipt; indeed, the duty on land and buildings is currently running at more than 50 per cent of the total revenue from stamp duty.

	Total stamp duty	*of which:* Land and buildings	
	£ million	£ million	Percentage of total
1974/75	198	74	*37*
1975/76	281	90	*32*
1976/77	272	114	*42*
1977/78	376	147	*39*
1978/79	433	205	*47*
1979/80 (estimate)	610	360	*59*

The main reason for the increase in receipts of stamp duty from land and buildings has been the rise in the prices of residential property. This means that more residential properties are liable to stamp duty, their value will be higher and some will pay duty at a higher rate on the increased value. The number of sales of residential property up to £15,000 (which from May 1974 generally bore no stamp duty), expressed as a proportion of the number of all sales of residential property, has declined from 88 per cent in October 1973 to 77 per cent in November 1977, and more dramatically to 63 per cent in November 1978. It is estimated that in 1979 it will have fallen further to something just below 50 per cent. Far more sales of residential property are now therefore liable to stamp duty than was the case in May 1974 when the present threshold and rates of duty were set, and of those paying duty more are above £30,000 (the point above which from May 1974 the top rate of 2 per cent became payable). Most dutiable conveyances and leases of non-residential property were already chargeable at the 2 per cent rate so the increase in the value of such property has not produced as great an increase in the duty on land and buildings generally as has the increase in house prices.

Value of sales of land and buildings in England and Wales: analysis of large cases (£100,000 and over)

TABLE G

	£ million						
	£500,000 and over			£100,000 and over			
	Residential[1] and land[2]	Commercial[3]	All properties	Residential[1]	Residential[1] and land[2]	Commercial[2]	All properties
1975	130	368	499				
1976	170	726	895				
1977	201	645	847	160	671	1,044	1,715
1978	321	773	1,094	293	1,036	1,333	2,369
1979							
1977 *1*	48	141	189	34	145	226	370
2	37	165	203	35	154	258	413
3	40	168	208	33	133	273	407
4	76	171	247	57	238	286	525
1978 *1*	68	186	254	47	195	322	518
2	81	173	254	67	248	303	552
3	57	198	254	81	228	330	558
4	115	217	332	99	365	377	742
1979 *1*	83	201	284	86	273	357	630
2	103	241	344	111	346	436	782
3	128	243	370	183	408	411	819

Note: Components may not add precisely to totals because of rounding.

Source: Statistics of large cases

[1] Including multiple transactions.
[2] Agricultural land with or without buildings, and other land without buildings.
[3] Including industrial property.

Value of sales and purchases of land and buildings in England and Wales: analysis of large cases (£100,000 and over) by sector, 1978

TABLE H

	£ million											
	Residential[1]			Land[2]			Commercial[3]			All properties		
Sector	Sales	Purchases	Net sales	Sales	Purchases	Net sales	Sales	Purchases	Net sales	Sales	Purchases	Net sales
Individuals	167	137	30	284	163	121	128	52	76	580	352	228
Property companies	63	80	−17	163	204	−41	469	243	226	695	527	167
Other companies	10	17	− 7	114	136	−22	330	298	32	454	451	3
Unclassified companies	13	27	−14	28	43	−15	85	93	− 8	126	163	− 37
Local authorities	4	14	− 1	46	71	− 3	22	52	− 31	71	118	− 47
Central government and nationalised industries	10			22			39	26	14	71	45	26
Banks	4	3	2	35	21	14	106	133	− 27	146	157	− 11
Insurance companies	10	5	5	8	72	−63	87	305	−218	105	381	−275
Others	12	11	2	142	34	9	66	130	− 64	121	174	− 53
Total	293	293	—	743	743	—	1,333	1,333	—	2,369	2,369	—

Note: Components may not add precisely to totals because of rounding.

Source: Statistics of large cases

[1] Including multiple transactions.
[2] Agricultural land, with or without buildings, and other land without buildings.
[3] Including industrial property.

Number of sales of leasehold property in England and Wales

TABLE J

Range of years to run on the lease	Residential property				Non-residential property			
	New leases		Existing leases		New leases		Existing leases	
	Nov 1977	Nov 1978	Nov 1977	Nov 1978	Nov 1977	Nov 1978	Nov 1977	Nov 1978
0—	383	551	1,125	1,200	2,915	4,587	1,416	1,354
35—	658	268	1,693	1,697	152	210	88	63
84—	2,604	2,966	3,053	3,445	416	692	100	83
100+	1,700	2,550	7,269	7,610	113	233	158	265
Range of rent – lower limit (£)								
0—	546	524	6,274	6,411	310	629	196	222
10—	4,558	5,198	6,379	6,756	390	566	161	198
150—	189	293	301	292	623	665	614	451
1,000—	75	256	52	186	2,333	3,863	767	816
Total	5,403	6,396	13,330	14,095	3,661	5,822	1,824	1,833

Note: Totals include some cases where the rent or years to run are not known.

Source: Survey data

APPENDIX

Number and value of sales of land and buildings in England and Wales, by type of property and detailed price range, November 1978

TABLE 1

Price range—lower limit (£ thousand)	Residential[1]			Non-residential				All properties
	Freehold	Leasehold	Total	Land[2]	Commercial[3] freehold	Commercial[3] leasehold	Total	Total
	Number							
0—	3,564	4,486	8,050	3,977	479	4,901	9,357	17,408
1—	9,514	3,521	13,035	2,126	550	843	3,519	16,554
5—	7,563	1,730	9,293	738	234	261	1,233	10,526
7½—	8,867	2,415	11,282	379	215	116	710	11,993
10—	9,971	2,645	12,616	422	165	114	701	13,317
12½—	11,219	2,543	13,762	250	146	74	470	14,232
15—	8,408	1,900	10,308	309	204	51	564	10,871
17½—	6,262	1,227	7,489	144	144	31	319	7,808
20—	8,233	1,030	9,263	305	202	57	564	9,826
25—	4,821	581	5,402	163	166	26	355	5,757
30—	3,888	367	4,255	291	208	32	531	4,784
40—	2,011	198	2,209	321	306	25	652	2,861
60—	541	75	616	227	238	29	494	1,111
100—	146	56	202	287	185	107	579	781
Total	85,008	22,772	107,780	9,940	3,441	6,667	20,048	127,829
	Value (£ million)							
0	1	1	2	1	—	—	1	3
1—	29	9	38	5	1	2	9	47
5—	47	11	58	4	1	2	7	65
7½—	77	21	98	3	2	1	6	104
10—	111	30	141	5	2	1	8	149
12½—	153	35	188	3	2	1	6	195
15—	135	30	165	5	3	1	9	174
17½—	116	23	139	3	3	1	6	145
20—	184	23	227	7	4	1	12	219
25—	131	16	147	4	4	1	10	157
30—	132	12	144	10	7	1	18	163
40—	94	9	103	16	15	1	31	135
60—	39	6	45	17	17	2	37	81
100—	22	10	32	84	68	52	205	237
Total	1,273	236	1,508	166	131	67	364	1,872

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Agricultural land, with or without buildings, and other land without buildings.
[3] Including industrial property.

Number and value of sales of land and buildings in England and Wales, by type of property and standard region, November 1978

TABLE 2

Standard region	Residential[1]			Non-residential				All properties
	Freehold	Leasehold	Total	Land[2]	Commerical[3] Freehold	Commercial[3] Leasehold	Total	Total
	Number							
North	4,410	879	5,289	491	165	207	863	6,154
Yorkshire and Humberside	8,638	1,397	10,035	1,008	302	411	1,721	11,756
East Midlands	7,575	308	7,883	1,140	271	381	1,792	9,675
East Anglia	3,222	172	3,394	697	189	259	1,145	4,539
South East[4]	21,195	2,969	24,164	1,920	717	1,687	4,324	28,487
Greater London	8,698	5,950	14,648	269	465	2,013	2,747	17,395
South West	9,542	1,036	10,578	1,428	430	556	2,414	12,992
West Midlands	8,490	2,675	11,165	1,206	321	507	2,034	13,199
North West	8,752	6,098	14,850	941	349	462	1,752	16,603
Wales	4,487	1,286	5,773	839	232	184	1,255	7,028
England and Wales	85,008	22,772	107,780	9,940	3,441	6,667	20,048	127,829
	Value (£ million)							
North	45·3	8·0	53·3	6·7	5·0	0·8	12·5	65·8
Yorkshire and Humberside	89·5	11·3	100·8	12·4	6·4	2·2	20·9	121·7
East Midlands	86·3	2·5	88·8	17·8	7·5	1·5	26·7	115·5
East Anglia	43·8	1·8	45·6	13·5	3·9	1·4	18·9	64·5
South East[4]	413·3	34·9	448·2	41·9	29·3	11·1	82·3	530·5
Greater London	177·4	84·1	261·6	14·1	34·0	36·1	84·2	345·7
South West	158·4	13·3	171·7	19·9	14·3	5·2	39·5	211·2
West Midlands	102·5	21·3	123·9	16·9	15·6	4·0	36·5	160·4
North West	103·0	44·3	147·3	11·2	9·1	3·9	24·2	171·5
Wales	53·1	14·0	67·1	12·1	5·8	0·5	18·5	85·6
England and Wales	1,272·7	235·6	1,508·3	166·5	130·9	66·8	364·2	1,872·4

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Agricultural land with or without buildings, and other land without buildings.
[3] Including industrial property.
[4] Excluding Greater London.

Value of sales of land and buildings in England and Wales, by sector of seller and buyer

TABLE 3

£ million

Selling sector	Buying sector	Residential[1]		Non-residential		All properties	
		Nov 1977	Nov 1978	Nov 1977	Nov 1978	Nov 1977	Nov 1978
Individuals	Individuals	1,017	1,157	59	88	1,076	1,245
	Property companies	11	17	7	19	18	36
	Other companies	5	7	15	15	20	21
	Unclassified companies	3	4	4	5	6	9
	Local authorities	8	7	1	2	9	9
	Other[2]	4	6	9	11	13	17
	Total	1,048	1,197	95	139	1,143	1,337
Property companies	Individuals	154	194	11	9	165	204
	Property companies	5	8	25	26	31	34
	Other companies	1	1	9	16	10	17
	Unclassified companies	1	4	9	5	10	9
	Local authorities	1	—	3	7	3	8
	Other[2]	1	1	36	26	37	27
	Total	162	209	93	90	256	299
Other companies	Individuals	11	14	5	9	17	23
	Property companies	—	1	5	6	5	7
	Other companies	—	—	15	22	16	22
	Unclassified companies	—	—	2	11	2	11
	Local authorities	—	—	2	2	2	2
	Other[2]	1	—	22	15	23	15
	Total	13	16	51	64	64	80
Unclassified companies	Individuals	11	14	2	3	13	17
	Property companies	2	2	3	3	5	5
	Other companies	—	—	3	2	3	2
	Unclassified companies	1	—	3	3	4	3
	Local authorities	—	—	1	—	2	—
	Other[2]	—	—	2	3	1	3
	Total	14	17	14	14	28	31
Local authorities	Individuals	21	39	1	3	22	42
	Property companies	1	1	3	4	3	5
	Other companies	—	—	1	2	1	2
	Unclassified companies	—	—	—	1	1	1
	Local authorities	—	—	1	1	2	1
	Other[2]	1	—	1	1	2	1
	Total	24	40	6	11	30	52
Other	Individuals	22	24	5	6	26	30
	Property companies	1	1	14	12	15	13
	Other companies	—	—	7	5	7	5
	Unclassified companies	—	—	1	1	1	1
	Local authorities	1	3	2	2	2	4
	Other[2]	—	—	9	20	9	20
	Total	25	29	36	45	61	74
Total	Individuals	1,236	1,443	82	117	1,318	1,560
	Property companies	21	30	56	69	77	100
	Other companies	7	8	51	63	57	71
	Unclassified companies	5	9	18	26	23	35
	Local authorities	10	10	10	13	20	24
	Other[2]	7	8	78	76	86	83
	Total	1,286	1,508	296	364	1,582	1,872

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.

[2] Including central government, nationalised industries, banks and insurance companies.

Value of sales of land and buildings in the United Kingdom: transactions over £15,000

TABLE 4

£ million

		England and Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973	1	1,502	37	1,540	6	1,546
	2	1,544	55	1,599	8	1,607
	3	1,549	55	1,604	8	1,612
	4	1,608	89	1,697	8	1,705
1974	1	1,219	69	1,288	10·3	1,299
	2	1,293	109	1,401	13·3	1,414
	3	1,062	57	1,119	11·8	1,131
	4	1,103	80	1,182	10·1	1,192
1975	1	978	56	1,034	8·9	1,043
	2	1,201	81	1,283	10·6	1,293
	3	1,363	84	1,446	12·5	1,459
	4	1,460	100	1,560	14·4	1,574
1976	1	1,341	93	1,434	15·0	1,449
	2	1,537	116	1,653	18·6	1,671
	3	1,930	130	2,060	21·4	2,081
	4	1,770	154	1,924	21·7	1,945
1977	1	1,416	122	1,538	23·1	1,562
	2	1,680	139	1,819	24·0	1,843
	3	2,155	163	2,318	31·1	2,349
	4	2,485	206	2,691	35·5	2,726
1978	1	2,527	174	2,700	33·7	2,734
	2	2,788	212	3,000	41·7	3,041
	3	3,206	244	3,450	51·2	3,501
	4	3,732	288	4,020	46·5	4,067
1979	1[1]	3,076	140	3,216	53·5	3,269
	2[1]	4,717	285	5,002	52·3	5,054
	3	5,627	417	6,043	73·6	6,117
	4[2]	5,915	406	6,321	71·4	6,392

		England and Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1978	J	825	50	875	13·9	889
	F	860	62	922	9·7	932
	M	841	62	903	10·1	913
	A	914	67	981	12·8	994
	M	886	72	958	13·1	971
	J	987	73	1,061	15·8	1,076
	J	980	75	1,055	17·4	1,072
	A	1,117	90	1,207	17·3	1,224
	S	1,109	79	1,188	16·6	1,205
	O	1,304	84	1,388	14·9	1,403
	N	1,310	109	1,419	18·6	1,438
	D	1,118	95	1,213	13·0	1,226
1979	J	1,247	74	1,321	18·3	1,340
	F	1,066	66	1,132	17·0	1,149
	M[1]	762	—	762	18·2	780
	A[1]	607	7	614	14·5	628
	M[1]	2,472	165	2,636	16·8	2,653
	J	1,638	114	1,752	21·0	1,773
	J	1,858	148	2,006	21·7	2,027
	A	1,926	156	2,082	26·7	2,108
	S	1,843	113	1,956	25·3	1,981
	O[2]	2,239	126	2,365	26·5	2,391
	N[2]	2,054	141	2,195	24·5	2,219
	D[2]	1,622	139	1,761	20·5	1,782

Note: Components may not add precisely to totals because of rounding.

Source: Stamp duty data

[1] Due to industrial action several sales in the first quarter have not been included until the second quarter.

[2] The figures for the fourth quarter of 1979 are provisional.

CHART 1

Sales of land and buildings in England and Wales

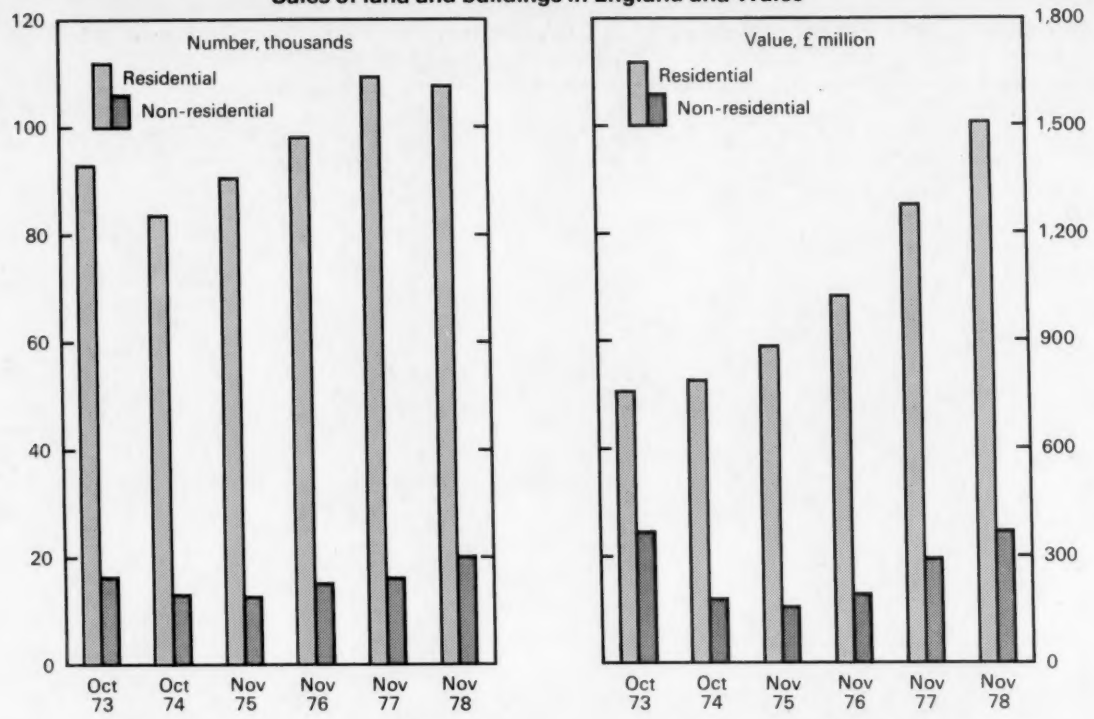

CHART 2

Net sales and purchases of land and buildings in England and Wales, by sector

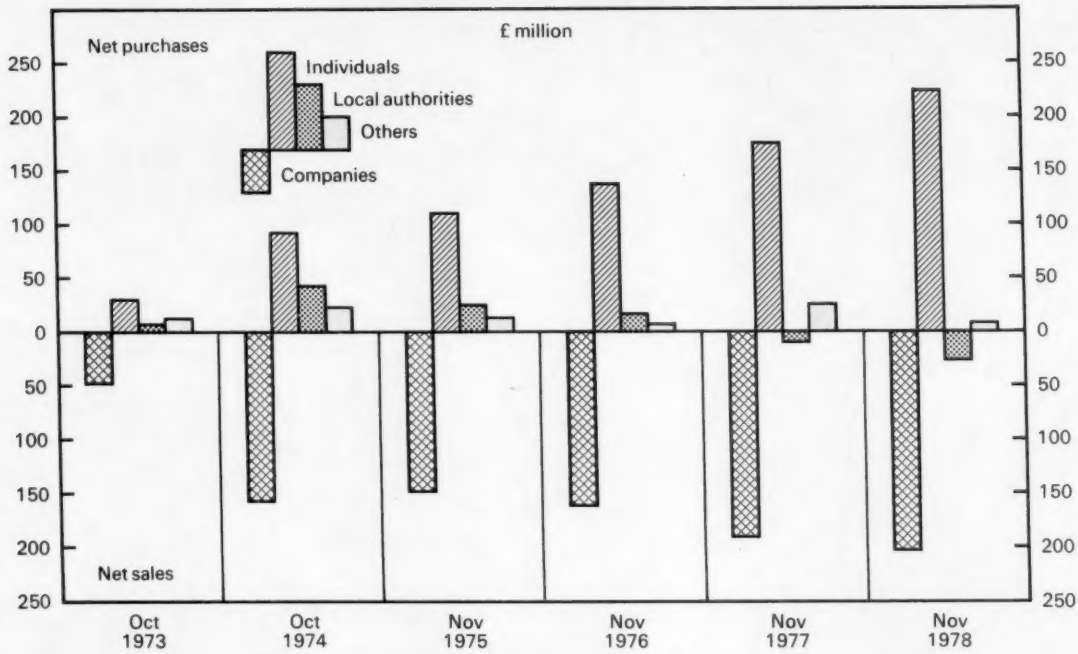

CHART 3

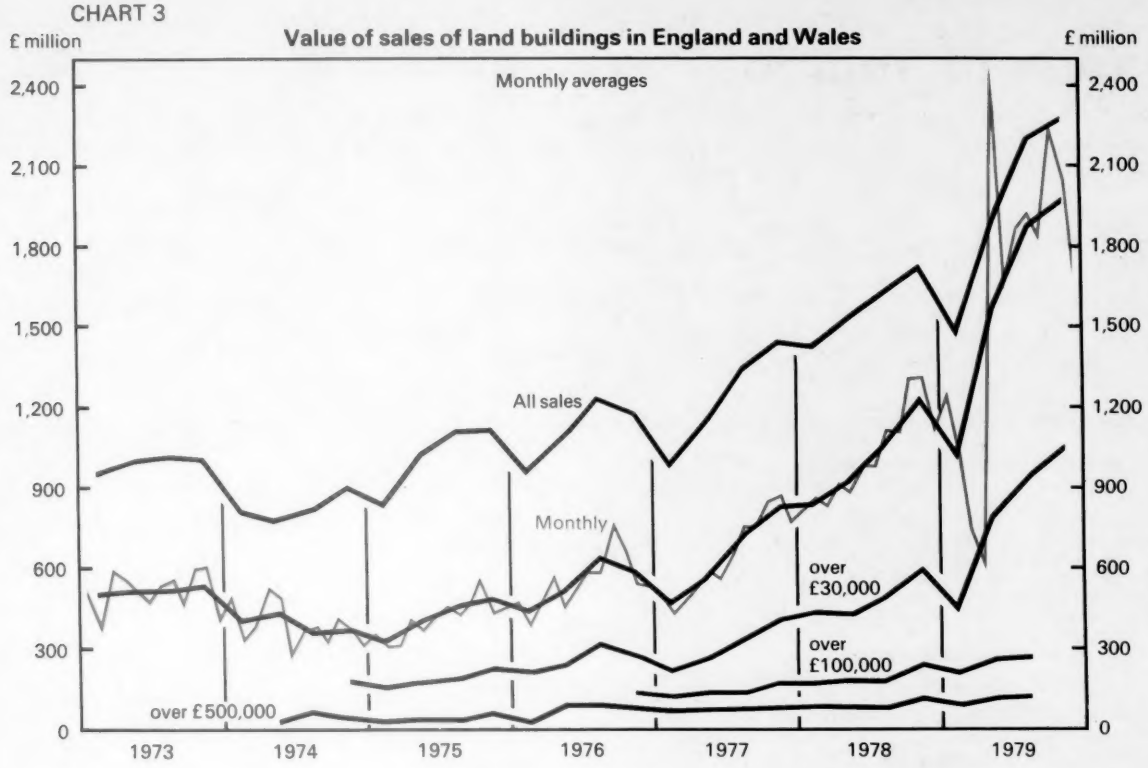

CHART 4

Index of sources

Data given on page **5** may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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